



**FHA INFO 2023-90**

**November 09, 2023**

### **FHA Seeks Industry Feedback on Proposed Updates to Home Equity Conversion Mortgage (HECM) Assignment Eligibility**

Today, the Federal Housing Administration (FHA) posted a draft Mortgagee Letter (ML), *Updates to Home Equity Conversion Mortgage (HECM) Assignment Eligibility*, on its [Single Family Housing Drafting Table](#) (Drafting Table) web page for public feedback.

Currently, mortgagees have the option of assigning a HECM to HUD if certain conditions are met, such as if its due and payable status has been deferred as a result of the Deferral Period. FHA is proposing to allow assignment of the HECM when its due and payable status is based on the death of all borrowers and non-borrowing spouses. HECMs that are due and payable are not eligible for assignment to the Secretary unless there is a non-borrowing spouse in a deferral period.

If enacted, this ML would expand the assignment eligibility criteria to include HECMs that are due and payable resulting from the death of all borrowers and non-borrowing spouses. As a result, servicers no longer will have responsibility for servicing these loans and can receive claim payments upon assignment of these mortgages.

Interested stakeholders are encouraged to thoroughly review the draft ML and provide their feedback through December 11, 2023. Instructions for viewing the draft ML and providing feedback are available on the [Drafting Table](#). FHA will carefully consider all feedback received before publishing a final ML.

As a reminder, this draft ML is not official Departmental policy and cannot be used in connection with any FHA-insured mortgage. FHA's existing policies remain in effect until amended.

For more information, read today's [press release](#).

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- E-mail [answers@hud.gov](mailto:answers@hud.gov). Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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