



FHA INFO 2024-80

November 21, 2024

FHA Issues Extension to Compliance Date for Portions of the Modernization of Engagement with Mortgages in Default Final Rule

Today, the Federal Housing Administration (FHA) published a Federal Register (FR) notice, *Modernization of Engagement with Mortgages in Default: Partial Extension of Compliance Date*, [[Docket No. FR-6353-N-03](#)], which extends the compliance date for certain provisions in the August 2, 2024, final rule, *Modernization of Engagement with Mortgages in Default* [[FR-6353-F-02](#)] through July 1, 2025.

The final rule requires mortgagees to conduct meetings with all mortgages in default, removing two exceptions to the meeting requirement if the mortgagee does not reside in the mortgaged property or if the mortgaged property is not within 200 miles of the mortgagee, its servicer, or a branch office of either. This extension effectively preserves these two exceptions to the meeting requirement until July 1, 2025.

HUD decided to issue today's extension after careful review and consideration of the feedback received on the draft mortgagee letter (ML), *Modernization of Engagement with Borrowers in Default* posted on the [Single Family Housing Drafting Table](#) on August 14, 2024, concerning the requirement to meet with all mortgages in default.

Mortgagees will now have an additional six months to rely on the two exceptions to the meeting requirement while they update their technology systems, processes and procedures needed for compliance with the entirety of the rule and with guidance that will be established in a forthcoming mortgagee letter (ML) entitled, *Modernization of Engagement with Borrowers in Default*. This extension is intended to minimize disruption to mortgagees by enabling them to maintain existing operations while working towards compliance with the new requirements, which will include those in the forthcoming ML.

Mortgagees may elect to comply with the entirety of HUD's final rule beginning on its effective date of January 1, 2025, or may delay compliance with those certain provisions referenced in the subject [FR](#) notice through July 1, 2025.

Stakeholders with questions about the final rule or this extension should contact the FHA Resource Center (below) for more information.

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail 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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