



FHA INFO 2025-02

January 9, 2025

### **HUD Seeks Further Feedback on Updated Requirements for Partial Claim Recording Timeframes and Payoff**

Today, the Federal Housing Administration (FHA) posted an updated draft of its *Partial Claim Document Recording and Payoff Statements* Mortgagee Letter (ML) on the [FHA's Office of Single Family Housing Drafting Table](#) (Drafting Table) for review and feedback. The payoff statement section in today's version of the draft ML has been revised based on feedback received since its initial [Drafting Table](#) posting originally announced in [FHA INFO 2024-64](#) on September 12, 2024.

FHA's intent with this draft remains the same: that borrowers, closing agents, attorneys, and title agents are aware of the partial claim subordinate lien amount owed on the mortgage loan, ensuring that the partial claim payoff is provided to the party requesting the payoff statement for the FHA-insured first mortgage. FHA believes this will help minimize losses to its Mutual Mortgage Insurance Fund (MMIF) and prevent potential challenges related to the subordinate lien for those refinancing their mortgage or selling their home. Additionally, this draft policy proposes to partially alleviate an operational burden on mortgagees by increasing the time allowed to record a partial claim.

This draft ML also proposes to:

- Extend the time allowed for mortgagees to record partial claim security instruments from five to 15 days from:
  - the date of receipt from the borrower; or
  - bankruptcy court approval, if required; or
  - where HUD execution is required, receipt from HUD.
- Establish a new procedure when the mortgagee receives a payoff request for an FHA-insured mortgage and there are outstanding partial claims or payment supplements associated with the mortgage.

Interested stakeholders are encouraged to thoroughly review this draft ML and provide their feedback through March 10, 2025, using the feedback instructions posted on the [Drafting Table](#). FHA will carefully consider all feedback received before publishing a final ML.

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

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- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at [www.hud.gov/answers](http://www.hud.gov/answers).
- 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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