



**FHA INFO #21-48**

**June 25, 2021**

### **FHA Further Extends Foreclosure and Eviction Moratoria and Start Date for COVID-19 Forbearance and Home Equity Conversion Mortgage Extensions; Establishes a New COVID-19 Advance Loan Modification**

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2021-15](#), *Extension of the Foreclosure and Eviction Moratorium in Connection with the Presidentially-Declared COVID-19 National Emergency, Further Expansion of the COVID-19 Forbearance and the COVID-19 Home Equity Conversion Mortgage (HECM) Extensions, and Establishment of the COVID-19 Advance Loan Modification (COVID-19 ALM)*. This ML clarifies additional measures to help homeowners with FHA-insured mortgages who are struggling due to COVID-19. Read today's [Press Release](#).

FHA is committed to helping homeowners with FHA-insured mortgages who are at risk of losing their homes due to the COVID-19 pandemic by continually assessing its policy guidance and making changes where possible. The extensions and new COVID-19 ALM announced today are examples of the measures FHA has taken to provide needed relief in conjunction with the [Biden-Harris Administration's direction](#) announced on June 24, 2021. The guidance in ML 2021-15:

- Extends the foreclosure and eviction moratoria for all FHA-insured single family mortgages — except vacant or abandoned properties — through July 31, 2021.
- Expands FHA's COVID-19 Forbearance policy by:
  - the date to request an initial COVID-19 Forbearance from June 30, 2021, until September 30, 2021. Borrowers who request an initial COVID-19 forbearance between July 1, 2021, and September 30, 2021, will receive a maximum six-month forbearance or payment pause.
  - providing an additional three-month extension to the COVID-19 Forbearance for borrowers who began their initial forbearance between July 1, 2020, and September 30, 2020.
- Establishes a new COVID-19 Advance Loan Modification (COVID-19 ALM), which:
  - offers borrowers who are currently 90 or more days delinquent, or at the end of their COVID-19 Forbearance, the opportunity for a 30-year rate and

term mortgage modification that will bring their mortgage current and reduce the principal and interest portion of their monthly mortgage payment by at least 25 percent.

- requires servicers to review their FHA-insured servicing portfolios and proactively reach out to homeowners who meet the criteria for the COVID-19 ALM. Eligible borrowers will be contacted by their servicer with information on how to receive the COVID-19 ALM.
  - continues to offer all other available FHA loss mitigation options to borrowers who do not accept the ALM for any reason.
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- Expands HECM COVID-19 Extensions by:
    - extending the time frame in which seniors with HECMs may request an extension before the servicer may request the loan be called due and payable from June 30, 2021, to September 30, 2021. Borrowers who request an initial extension between July 1, 2021, and September 30, 2021, will receive a maximum six-month extension.
    - providing an additional three month extension to HECM borrowers, where an initial HECM extension period began between July 1, 2020, and September 30, 2020.

FHA strongly encourages servicers and all other interested stakeholders to review this ML carefully and thoroughly to ensure compliance with the latest FHA policies.

#### **Training Opportunity**

FHA is currently developing a pre-recorded training to help servicers and other stakeholders in FHA transactions better understand the new Advance Loan Modification. When ready, the pre-recorded training will be posted for viewing on the [Upcoming Single Family Events and Training page](#), and its availability communicated in a future FHA INFO.

#### **Quick Links**

- Mortgage Letters: [https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)
- June 24, 2021 White House Fact Sheet: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/24/fact-sheet-biden-harris-administration-announces-initiatives-to-promote-housing-stability-by-supporting-vulnerable-tenants-and-preventing-foreclosures/>
- HUD Press Releases:
- <https://www.hud.gov/press>
- Upcoming Single Family Training and Events [https://www.hud.gov/program\\_offices/housing/sfh/events](https://www.hud.gov/program_offices/housing/sfh/events)

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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.

#### **About FHA INFO**

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