



FHA INFO #21-74

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Reminder Guidance for FHA-Approved Mortgagees Regarding Presidentially-Declared Major Disaster Areas

Today, the Federal Housing Administration (FHA) is issuing this reminder to mortgagees about its guidance for originating and/or servicing FHA-insured mortgages in locations in the U.S. and its territories when the President declares a major disaster area during the COVID-19 pandemic. A major disaster is declared when natural disasters or other events are of such severity that it is beyond the combined capabilities of state and local governments to respond. FHA recognizes the difficulty facing many borrowers across the country during a pandemic when also impacted by recent hurricanes, wildfires, and other extreme weather events. This guidance is intended to provide clarity to industry partners to assist borrowers impacted by these disasters.

To date, the President has declared a major disaster in every state and most territories in connection with COVID-19. Loss mitigation options for PDMDAs declared as a result of COVID-19 National Emergency, are addressed in the [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1) Section III.A.2.o. For borrowers who are already on a COVID-19 Loss Mitigation Option or a COVID-19 Recovery Option — including a forbearance — before the date of the PDMDA, mortgagees must continue to follow the loss mitigation guidance in Handbook 4000.1 Section III.A.2.o and Mortgagee Letters [2021-15](#), [2021-18](#), and [2021-19](#).

For all other borrowers, the mortgagee must evaluate the borrower for all loss mitigation options available to them, including any PDMDA or COVID-19 Loss Mitigation Options or COVID-19 Recovery Options, as applicable, based on their reason for hardship.

The following guidance applies to mortgaged properties in areas covered by PDMDA declarations not related to the COVID-19 National Emergency:

- FHA-insured forward mortgages secured by properties in a PDMDA are subject to a 90-day foreclosure moratorium following the disaster declaration.
 - FHA provides mortgagees an automatic 90-day extension from the date of the foreclosure moratorium expiration date to commence or recommence a foreclosure action or evaluate the borrower under HUD's Loss Mitigation Program for borrowers in PDMDAs.

- Mortgagees should begin reaching out to affected borrowers who may require loss mitigation assistance as soon as possible post-disaster.
- For any buildings in a PDMDA that are substantially damaged, mortgagees must follow the guidance in Handbook 4000.1 Section III.A.2.n.iii, Monitoring of Repairs to Substantially Damaged Homes.
- FHA-insured Home Equity Conversion Mortgages (HECM) secured by properties located in a PDMDA, that are due and payable for reasons other than the death of the last surviving borrower or the end of a Deferral Period due to the death of an eligible non-borrowing spouse, are subject to a 90-day extension of HECM foreclosure timelines, as most recently provided for in [FHA INFO 18-40](#).
- In PDMDAs, FHA provides HECM mortgagees an automatic 90-day extension from the date of the PDMDA foreclosure extension expiration date to commence or recommence a foreclosure action.

In preparation for assisting homeowners with longer-term recovery efforts, mortgagees should also review:

- FHA's 203(h) Mortgage Insurance for Disaster Victims requirements in Section II.A.8.b of the Handbook 4000.1. The 203(h) program allows FHA to insure mortgages for victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.
- FHA's 203(k) Rehabilitation Mortgage Insurance Program requirements in Section II.A.8.a of the Handbook 4000.1. The 203(k) program provides mortgage financing or refinancing which includes the cost of home repairs – both structural and non-structural – into the loan amount.

Mortgagees can find more information about the policies referenced above and other FHA PDMDA and FHA COVID-19 policies on the FHA Resource Center's [Online Knowledge Base](#).

Quick Links

- Online and PDF versions of Handbook 4000.1: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb
- Mortgagee Letters: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- FHA Resource Center Online Knowledge Base: <https://www.hud.gov/FHAFAQ>
- FEMA Disaster Information: <https://www.fema.gov/disaster>

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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