



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

March 26, 2010

MORTGAGEE LETTER 2010-11

**TO: ALL APPROVED MORTGAGEES**

**SUBJECT: AVAILABILITY OF TREASURY SUCCESS PAYMENTS FOR FHA-HAMP MODIFICATIONS**

The Treasury Department (“Treasury”) has issued Supplemental Directive 10-03 announcing that borrowers and servicers of qualified FHA-HAMP modified mortgages may be eligible for Borrower Pay for Performance Success Payments and Servicer Pay for Success Payments from Treasury. Under the Directive, FHA-Approved Servicers are eligible for Success Payments only if they have executed a new or amended Servicer Participation Agreement and related documents with Fannie Mae, in its capacity as financial agent for the United States as designated by the Treasury Department, by October 3, 2010, and the FHA-HAMP mortgage meets all FHA and Treasury requirements for these success payments.

A new loss mitigation program, FHA-HAMP was announced July 30, 2009, via Mortgagee Letter 2009-23 and included in subsequent guidance issued in Mortgagee Letters 2009-35, 2009-39, and 2010-04. In summary, FHA allows the use of a partial claim up to 30 percent of the unpaid principal balance combined with a loan modification only after the mortgagor has successfully completed a three month trial payment plan for the amount of the future modified mortgage payment. Additionally, servicers receiving Servicer Pay for Success Payments from Treasury (\$1,000 per year for up to 3 years), are also/still entitled to receive loss mitigation incentive payments from FHA in accordance with the aforementioned Mortgagee Letters.

In accordance with the Directive, Success Payments are available from Treasury only if all of these conditions are met:

1. The FHA-Approved Servicer has executed a new or amended Servicer Participation Agreement and related documents on or before October 3, 2010;
2. The FHA-insured mortgage was originated on or before January 1, 2009;
3. The FHA-HAMP mortgage modification was executed in accordance with Mortgagee Letter 2009-23, and any subsequent HUD guidance; and,
4. The servicer and borrower have met the requirements as stated in Supplemental Directive 10-03, and other relevant HAMP guidance, including, but not limited to Supplemental Directives and Frequently Asked Questions.

Servicers can find all HAMP documents referenced above on [www.hmpadmin.com](http://www.hmpadmin.com). Questions regarding this Mortgagee Letter should be directed to our National Servicing Center Customer Service at (888) 297-8685. Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

David H. Stevens  
Assistant Secretary for Housing –  
Federal Housing Commissioner