



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**July 23, 2014**

**MORTGAGEE LETTER 2014-16**

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**To** **All Approved Mortgagees**

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**Subject** **Electronic Retention of Foreclosure-Related Documentation**

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**Purpose** The purposes of this Mortgagee Letter are to provide guidance on the retention of foreclosure-related documents in servicing files (stored electronically) and to extend the record retention period to at least seven years after the life of an FHA-insured mortgage.

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**Effective Date** This Mortgagee Letter is effective for all foreclosures, associated with FHA-insured mortgages, occurring on or after October 1, 2014.

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**Affected Policy** HUD Handbook 4330.1, Sections 1-4, 7-12

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**Electronic Retention of Foreclosure Documents in Servicing Files** In addition to any requirements for retaining hard copies or originals of foreclosure-related documents, documents relating to loss mitigation review must also be retained in electronic format. These documents include, but are not limited to:

- Evidence of the servicer's foreclosure committee recommendation;
- The servicer's Referral Notice to a foreclosure attorney, if applicable; and
- A copy of the document evidencing the first legal action necessary to initiate foreclosure and all supporting documentation, if applicable (See Mortgagee Letter 2013-38).

Mortgagees have the option of using electronic storage methods for all other servicing-related documents required in accordance with HUD regulations, handbooks, mortgagee letters, and notices where retention of a hard copy or original document is not required.

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**Electronic Retention of the Mortgage Note** A copy of the mortgage, mortgage note, or deed of trust must be also retained in electronic format.

- The electronic copy of the mortgage, mortgage note, or deed of trust must be marked "copy."

- The original mortgage, mortgage note, or deed of trust must be preserved in accordance with requirements for retaining hard copies.
  - If the note has been lost, a Lost Note Affidavit acceptable under state law must be retained in both hard copy and electronic format.
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**Length of Retention**

All servicing files must be retained for a minimum of the life of the mortgage loan plus seven years.

Pursuant to 24 CFR 203.365, for mortgages where FHA insurance has been terminated and a claim has been filed, the claim file must be retained for at least seven years after:

- the final settlement date, which is the date of the last acknowledgement or check received by the mortgagee in response to submission of a claim, or
  - the latest supplemental settlement date, which is the date of the final payment or acknowledgement of such supplemental claim.
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**HUD Requests for Individual Account/Loan Information**

Pursuant to 24 CFR 203.508, mortgagees are required to respond to HUD requests for information concerning individual accounts. Upon a verbal or written request, mortgagees must make available to HUD staff legible documents within 24 hours of the request and in the format (electronic or hard copy) requested by HUD. This requirement includes all servicing information and related data, as well as the entire loan origination file.

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**Information Collection Requirements**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2502-0584. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

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**Questions**

Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Information Relay Service at (800) 877-8339. For additional information on this Mortgagee Letter, please visit [www.hud.gov/answers](http://www.hud.gov/answers).

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**Signature**

Carol J. Galante  
Assistant Secretary for Housing-Federal Housing Commissioner

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