



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention Of:

NOTICE H 16-03

All HUD-Approved HECM Counselors
All HUD-Approved Housing Counseling Agencies

Issued: February 5, 2016

Expires: This Notice remains
in effect until
amended, superseded or
rescinded.

Subject

Home Equity Conversion Mortgage (HECM) Program: Home Equity Conversion Mortgage (HECM) Due and Payable Policies

Purpose

This Housing Notice communicates to all HUD-Approved Counseling Agencies and HECM Counselors the HECM servicing guidance issued in Mortgage Letter (ML) 2015-10. ML 2015-10 clarifies FHA's deadlines and requirements applicable to Home Equity Conversion Mortgages (HECMs).

Effective Date

This HN is effective immediately.

Housing Counseling Change

This notice applies to all counselors engaged in HECM counseling. Counselors must be aware of the timelines stated in ML 2015-10, as well as the date the HECM loan case number was issued. Counselors must advise borrowers and any Non-Borrowing Spouse of the conditions under which a HECM loan may become due and payable. Counselors shall also advise borrowers and any Non-Borrowing Spouse when and to whom Mortgagees must provide a Due and Payable Notice and whether they may correct the matter that resulted in the HECM becoming due and payable. Finally, Counselors must advise that a borrower, or if applicable a Non-Borrowing

Spouse or borrower's estate or heirs will have 30 days to respond to a Due and Payable Notice. HUD would like to remind counselors that ML2015-15 has been issued as a replacement for rescinded ML 2-15-03 and cross-references to ML 2015-03 in ML 2015-10 should be read as ML 2015-15.

**Information
Collection
Requirements**

Paperwork reduction information collection requirements contained in this Housing Notice Letter 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 Numbers 2502-0524. Revisions are being made to OMB Control Number 2502-0524 and OMB Control Number 2502-0059. 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.

Questions

Any questions regarding this Notice should be emailed to the Office of Housing Counseling at housing.counseling@hud.gov.

Signature

Edward L. Golding
Principal Deputy Assistant Secretary for Housing
