



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention Of:

NOTICE H 2016-04

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amended, superseded or
rescinded.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: **Loss Mitigation Guidance for HECMs in Default due to Unpaid Property Charges.**

Purpose

This Housing Notice communicates to all HUD-Approved Counseling Agencies and HECM Counselors permissible loss mitigation options mortgagees may provide when property charges are not paid in accordance with the terms of a HECM as noted in Mortgage Letter 2015-11.

Effective Date

This HN is effective immediately.

Housing Counseling Change

This Notice applies to all counselors engaged in counseling clients whether at origination, or at a point of default in HECM counseling. All counselors shall advise all current and potential HECM clients either currently in default or at risk of default of the permissible loss mitigation guidance provided in ML 2015-11 for Property Charge defaults. Counselors should also advise that the permissible loss mitigation options provided in ML 2015-11 is not available during any applicable Deferral Period. HUD would like to remind counselors that ML 2015-15 has been issued as a replacement for rescinded ML 2015-03, and any cross-references to ML 2015-03 in ML 2015-11 should be read as ML 2015-15.

Counselors should also advise all clients that mortgagees are not required to

provide loss mitigation and that nothing in Mortgagee Letter 2015-11 confers any right to a borrower or a Non-Borrowing Spouse to any action on the part of HUD or the mortgagee.

**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
