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**New FHA Mortgagee Letter:**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000  
ASSISTANT SECRETARY FOR HOUSING FEDERAL HOUSING COMMISSIONER  
September 20, 2012  
Mortgagee Letter 2012-19  
To All Approved Mortgagees  
Single Family Servicing Managers  
Subject Hazard and Flood Insurance Requirement Reminder

Purpose The purpose of this Mortgagee Letter is to remind mortgagees of HUD’s existing servicing procedures as they pertain to releasing hazard insurance proceeds for damaged properties securing Federal Housing Administration (FHA) insured mortgage loans. At this time, a reminder of HUD’s policy related to hazard insurance proceeds is especially important due to the extent of the devastation caused by Hurricane Isaac in parts of Louisiana and Mississippi.

To read this mortgagee letter and any attachments in their entirety, please visit: [http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/](http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/) view the 2012 letters and click on the letter of your choice. Mortgagee letters from previous years can be found on the same page.