

April 21, 2014

FHA SINGLE FAMILY HOUSING



NEWS

## NEWS AND UPDATES

**TO: All HECM Approved Mortgagees and Servicers**

### *Update*

### **HECM Reasonable Diligence Timeframe Extensions**

Under existing regulatory authority for forward and reverse mortgages, the Secretary has the discretion to grant additional time for mortgagees to comply with reasonable diligence timeframes. As part of its processes, FHA utilizes this discretion on a case by case basis. As of April 16, 2014, HUD determined that the granting of requests for extensions from HECM mortgagees of up to sixty (60) days to meet foreclosure timeframes for HECM transactions was reasonable in the following circumstances.

### ***Additional Information***

The 60 day extension will be granted to mortgagees that request an extension to initiate foreclosure under the following criteria:

- The property securing the HECM is the primary residence of a surviving spouse who was married to the borrower at the time the mortgage was endorsed for insurance and was not listed as a borrower on the mortgage;
- The HECM has become due and payable solely because of the death of the HECM borrower; and
- The property securing the HECM has not been sold to a third party.

Likewise, a delay of no more than 60 days beyond the timeframes delineated in Mortgagee Letter 2013-38 is acceptable for cases meeting the above referenced criteria and where the mortgagee has already initiated foreclosure.

To request either extension related to the aforementioned guidance, mortgagees must:

1. Prepare a detailed Extension Request on their company's letterhead;
2. Obtain an authorized loan servicing manager's signature on the Request; and

3. Upload the Request in HERMIT to the “Documents’ Tab”. Under the “Documents’ Tab,” select Document Type “Extension.”

HECM servicers, using their servicing systems, should track these types of Extension Requests in the event that FHA has a need to know the exact volume of such requests in the future.

**Learn More**

- Call the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). TDD/TTY 1-877-TDD-2HUD (1-877-833-2483).

**RESOURCE INFORMATION**

<b>FHA INFO ARCHIVES:</b>	Visit the <a href="#">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.	
<b>HAVE FHA QUESTIONS?</b>	For FHA technical support, please search the <a href="#">FHA Frequently Asked Questions</a> site or contact the FHA Resource Center by email at: <a href="mailto:answers@hud.gov">answers@hud.gov</a> or by telephone toll free between 8:00 AM & 8:00 PM ET at: (800) CALLFHA or (800) 225-5342.	
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