



NEWS AND UPDATES

**TO: All FHA-Approved HECM Mortgagee Originators and Servicers
All FHA-Approved HECM Housing Counselors**

What's New

New and Revised Home Equity Conversion Mortgage (HECM) Non-Borrowing Spouse and Seasoning Requirements Issued Today

Today, the Federal Housing Administration (FHA) published policies that set forth the options and certification responsibilities where a HECM borrower has a Non-Borrowing Spouse who is not eligible for a Deferral Period under the HECM program at the time of origination, and additional guidance for HECM Eligible Non-Borrowing Spouses. These policies are in today's [Mortgagee Letter 2015-02](#), *Policy Guidance and Certifications for Eligible and Ineligible Non-Borrowing HECM Spouses and Seasoning Requirements Guidance*. This Mortgagee Letter also includes additional guidance and documentation requirements for seasoning on payoffs of existing mortgages. The policies in Mortgagee Letter 2015-02 are intended to safeguard the viability of the HECM program and FHA's Mutual Mortgage Insurance Fund, so that the program continues to be a long-term, sustainable homeownership option for seniors.

The policies in this Mortgagee Letter amend, and, where in conflict, supersede the policies in Mortgagee Letter 2014-07. In summary, Mortgagee Letter 2015-02:

- Defines a new type of Non-Borrowing Spouse, termed "Ineligible Non-Borrowing Spouse," and provides guidance and model certification language that mortgagees must use when there is an Ineligible Non-Borrowing Spouse.
- Provides new model certification language that mortgagees must use at origination and throughout ongoing HECM servicing in instances where there is an Eligible Non-Borrowing Spouse. The certification language replaces language in Mortgagee Letter 2014-07.
- Provides language to update the HECM model documents.
- Provides for a 30-day cure to reinstate a Deferral Period for an Eligible Non-Borrowing Spouse.
- Provides clarification and additional acceptable documentation for the seasoning requirements for existing non-HECM liens published in Mortgagee Letter 2014-21.

Mortgagees may implement the Ineligible and Eligible Non-Borrowing Spouse policies in Mortgagee Letter 2015-02 for all HECM Case Numbers assigned on or after January 12, 2015, but **must** implement these policies for all HECM Case

Numbers assigned on or after March 9, 2015. The clarification and additional loan documentation guidance for the seasoning requirements is effective for FHA Case Numbers assigned on and after December 15, 2014.

Quick Links and Resources

- View [Mortgagee Letter 2015-02](#)
- Contact the FHA Resource Center:
 - Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
 - Email the FHA Resource Center at answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 a.m. to 8:00 p.m., Eastern, Monday through Friday on all non-Federal holidays.
 - Call 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 1-800-877-8339.

RESOURCE INFORMATION															
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.														
Have FHA Questions?	For FHA technical support, please search the FHA Frequently Asked Questions site or contact the FHA Resource Center by email at: answers@hud.gov or by telephone toll free between 8:00 AM & 8:00 PM ET at: (800) CALLFHA or (800) 225-5342. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.														
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