



TO: All FHA-Approved HECM Servicers; All FHA-Approved HECM Housing Counselors

NEWS AND UPDATES

In this Announcement:

- Consolidated Due and Payable Policies for Servicing Home Equity Conversion Mortgages (HECMs)
- Expansion of Permissible Loss Mitigation Guidance for HECM Unpaid Property Charge Defaults
- Industry Conference Call for HECM Servicers and Other Stakeholders

See below for details.

Consolidated HECM Due and Payable Policies for Servicers in Mortgagee Letter 2015-10

Today, the Federal Housing Administration (FHA) published consolidated HECM Due and Payable policies for servicers in Mortgagee Letter 2015-10. This Mortgagee Letter consolidates and revises existing FHA policy for all HECMs that become Due and Payable ***on or after July 1, 2015***. Publication of this Mortgagee Letter supports FHA's commitment to maintaining the HECM program's long-term viability by implementing program changes that reduce risk to the Mutual Mortgage Insurance Fund. This, in turn, maintains the program options for seniors long term.

Mortgagee Letter 2015-10 provides consolidated policy guidance for servicers on:

- How and when a HECM is considered eligible to be called Due and Payable, and the required notices servicers must execute to both the Department of Housing and Urban Development and to mortgagors (borrowers);
- Actions servicers must take, and their associated timeframes and available timeframe extensions, when a HECM is eligible to be called Due and Payable; and
- Working with HECM borrowers, heirs, estates, and Non-Borrowing Spouses when a HECM becomes Due and Payable.

FHA's Home Equity Reverse Mortgage Information Technology (HERMIT) system release 4.1, effective April 2015, will assist mortgagees in complying with this Mortgagee Letter by:

- Updating the existing "Due and Payable without HUD Approval" timeline to capture key steps and dates related to mortgagees obtaining an appraisal, notifying a borrower of their loan being in a Due and Payable status, and notifying HUD of a Due and Payable case;
- Updating the existing "Loss Mitigation/Pre-Foreclosure" timeline to capture the Initiation of Foreclosure (First Legal Date) and adding a new step to capture the date the Foreclosure Notice was sent to HUD;

- Updating the “Endorsed Foreclosure” timeline to capture key steps and dates related to mortgagees obtaining required appraisals and marketable title; and
- Adding additional extension types for appraisals and late Notifications of Death.

[Quick Links](#)

- Read [Mortgagee Letter 2015-10](#).

Expansion of Permissible Loss Mitigation Guidance for HECM Unpaid Property Charge Defaults in Mortgagee Letter 2015-11

Mortgagee Letter 2015-11, *Loss Mitigation Guidance for HECMs in Default due to Unpaid Property Charges*, published today, communicates an expansion of permissible loss mitigation options that HECM servicers may provide to a HECM borrower when the borrower is in default due to unpaid property charges such as taxes or hazard insurance premiums. The Mortgagee Letter permits HECM servicers to:

- Implement the loss mitigation options described in the Mortgagee Letter immediately for HECMs that go into default due to unpaid property charges on or after the publication date of the Mortgagee Letter; and
- For property charge defaults occurring before the publication date of the Mortgagee Letter, to review their portfolio to bring HECM loans into compliance with the loss mitigation policies in the Mortgagee Letter within 180 days.

The policies in Mortgagee Letter 2015-11 work in tandem with those in Mortgagee Letter 2015-10. Both sets of policies support the goal of keeping HECM borrowers in their homes whenever possible, while protecting FHA’s Mutual Mortgage Insurance Fund if a default cannot be cured.

HERMIT system release 4.2, targeted for June 2015, will assist servicers in complying with this Mortgagee Letter by:

- Adding the capability to capture the details of Repayment Plans with HECM borrowers who are in default as a result of outstanding property charges; and
- Adding additional extension types for mortgagees engaging borrowers in property charge loss mitigation, and assisting such borrowers with leveraging various states’ Hardest Hit Funds to address delinquencies.

[Quick Links](#)

- Read [Mortgagee Letter 2015-11](#).

Overview Conference Call for HECM Servicers and Other Stakeholders

FHA will host the following conference call briefing session that will provide an overview of Mortgagee Letters 2015-10 and 2015-11 to HECM servicers and other interested stakeholders:

- **Date:** April 30, 2015
- **Time:** 2:00 PM - 3:00 PM (Eastern)
- **Title:** HECM Due and Payable and Loss Mitigation Mortgagee Letters
- **Dial-in Number:** (866) 254-5938
- **Participant Access Code:** 358535

Stakeholders are encouraged to submit questions in advance of the call to FHA’s special e-mail box, FHASFCall@hud.gov, by **5:00 PM (Eastern), April 28, 2015**. Please limit your submissions to two questions. This is an unattended e-mail box

for collecting questions that *may* be addressed during this conference call. FHA is unable to respond in writing to individual questions or inquiries submitted to this e-mail box.

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail the FHA Resource Center at answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (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.														
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.														
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