

FHA INFO #15-80

October 2, 2015



**TO: All FHA-Approved Mortgagees and Servicers
All Other Stakeholders**

NEWS AND UPDATES

Single Family Foreclosure Policy and Procedural Changes for HUD Title II Forward and Reverse Mortgages

On October 1, 2015, the Federal Housing Administration (FHA) published [Mortgage Letter 15-24, Single Family Foreclosure Policy and Procedural Changes for HUD Title II Forward Mortgages and Reverse Mortgages](#). This Mortgagee Letter updates HUD's Reasonable Diligence timeframes, Schedule of Allowable Attorney Fees for all jurisdictions, and Cash for Keys' Relocation allowance. These updates are necessary to help align FHA's foreclosure timelines with the industry's experience in all states across the country. In addition, the guidance in this directive provides greater clarity and/or more information to mortgage servicers.

Effective dates

Beginning January 1, 2016, the policies in this Mortgagee Letter supersede all prior Reasonable Diligence timeframes, Attorney Fee schedules, and Cash for Keys' Relocation allowances, including those outlined in Mortgagee Letters 13-38 and 02-13.

- The updated Reasonable Diligence timeframes are effective for all cases in which the First Legal Action to initiate foreclosure occurs on or after January 1, 2016. Attachment 1 to Mortgagee Letter 15-24 outlines the timeline of First Legal Action and Reasonable Diligence timeframes by state. HUD expects its lenders to comply with all federal, state, and local laws when prosecuting foreclosures and pursuing possession actions.
- The updated Schedule of Attorney Fees reflects rising legal costs and helps to better align HUD's schedule of attorney fees with those of the industry. The new fees are effective for all cases in which any of the following actions occurs on or after January 1, 2016:
 - First legal action to foreclose is initiated;
 - Bankruptcy clearance is undertaken;
 - Possessory action has begun; or
 - Deed-in-lieu of foreclosure is recorded.
- The Cash for Keys' Relocation allowance is being raised to \$3,000 per property (from \$2,000) to provide a greater incentive for occupants to voluntarily vacate a property. The new allowance is effective for all FHA-insured mortgages for which a foreclosure sale or non-conveyance transaction is scheduled on or after January 1, 2016.

[Quick Links](#)

- View Mortgagee Letter 15-24 and all other archived Mortgagee Letters at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

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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