

FHA INFO #16-05

February 5, 2016



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

NEWS AND UPDATES

In this Announcement:

- Update of Preservation and Protection (P&P) Requirements and Cost Reimbursement Procedures for Title II Forward Mortgages and Home Equity Conversion Mortgages (HECMs)
- Single Family Foreclosure Policy and Procedural Changes for HUD Title II Forward Mortgages and Reverse Mortgages
- Automatic Extensions to HUD's Initiation of Foreclosure Timeline
- Coming Soon: Updates to *Servicing and Loss Mitigation* Sections of HUD Handbook 4000.1

See below for details.

Update of Preservation and Protection (P&P) Requirements for FHA Title II Forward Mortgages and Home Equity Conversion Mortgages

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 16-02: Update of Preservation and Protection \(P&P\) Requirements and Cost Reimbursement Procedures for Title II Forward Mortgages and Home Equity Conversion Mortgages \(HECMs\)](#). This Mortgagee Letter updates property preservation and protection (P&P) guidance related to properties securing FHA-insured mortgages and:

- Increases the Maximum Property Preservation Allowance;
- Adds, clarifies, and increases specific property repair line items;
- Emphasizes FHA's current conveyance condition standard;
- Reminds mortgagees of FHA's inspection requirements; and
- Provides information on the claim's calculation and documentation requirements for property P&P actions.

The updated requirements are effective on February 1, 2016.

The policies set forth in this Mortgagee Letter modify or supersede where there is conflict, Mortgagee Letter [10-18](#) and its exhibits.

[Quick Links](#)

- View [Mortgagee Letter 16-02](#) and the Mortgagee Letters archives at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

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

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 16-03](#): *Single Family Foreclosure Policy and Procedural Changes for HUD Title II Forward Mortgages and Reverse Mortgages*, which updates HUD's Reasonable Diligence timeframes in 32 jurisdictions and provides guidance on judicial foreclosures of FHA-insured home loans in the District of Columbia.

Affected policies and Effective dates

Beginning **January 1, 2016**, the policies in this Mortgagee Letter supersede all prior Reasonable Diligence timeframes, including those outlined in Mortgagee Letters [13-38](#) and [15-24](#).

[Quick Links](#)

- View [Mortgagee Letter 16-03](#) and the Mortgagee Letters archives at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

Automatic Extensions to HUD's Initiation of Foreclosure Timeline

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 16-04](#): *Automatic Extensions to HUD's Initiation of Foreclosure Timeline*. This Mortgagee Letter supersedes Mortgagee Letter [15-21](#) in its entirety and provides updated guidance relating to HUD's regulatory requirement for mortgagees to utilize a loss mitigation option or initiate foreclosure within six months of the date of default.

[Quick Links](#)

- View [Mortgagee Letter 16-04](#) and the Mortgagee Letters archives at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

Coming Soon: Updates to *Servicing and Loss Mitigation* Sections of HUD Handbook 4000.1

Updates to the *Servicing and Loss Mitigation* sections of FHA's *Single Family Housing Policy Handbook* ([HUD Handbook 4000.1](#)) will publish soon. As a reminder, the newly published SF Handbook sections will include the policy language from the three Mortgagee Letters in this FHA INFO, as well as that contained in other recent servicing-related Mortgagee Letters. Stay tuned for more information.

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:	<p>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</p> <p>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</p> <p>aaa@xyz.com bbb@xyz.com ccc@xyz.com</p> <p>To Unsubscribe follow the unsubscribe instructions on that page.</p>														
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