TO: All FHA-Approved Mortgagees and Servicers

NEWS AND UPDATES

Expanded Permissive Loss Mitigation for Home Equity Conversion Mortgages (HECMs) and Mortgagee’s Optional Extension to Submitting a Due and Payable Request

Today, the Federal Housing Administration (FHA) published Mortgagee Letter 2016-07: Expanded Permissive Loss Mitigation for Home Equity Conversion Mortgages (HECMs) and Mortgagee’s Optional Extension to Submitting a Due and Payable Request. The ML provides mortgagees with an optional extension when submitting a due and payable request where borrowers are behind on the payment of their property taxes and/or hazard insurance premium by less than $2,000.

Additionally, the ML permits mortgagees to cure a borrower’s taxes and/or insurance default so long as no cost is passed along to HUD and the mortgagee agrees to not seek loan assignment for at least a period of 3 years. It also removes a previous restriction prohibiting the use of the permissive loss mitigation options announced in ML 2015-11 for borrowers in foreclosure at the time of issuance of that mortgagee letter.

Quick Links:


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 Relay Service at 1-800-877-8339.

### RESOURCE INFORMATION

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<th>FHA INFO Archives:</th>
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### Resource Links:

- Archived Webinars
- Career Opportunities
- Contracting Opportunities
- Events & Training
- FHA Forms
- FHA Homeownership Centers
- FHA Mortgagee Letters
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