

## FHA INFO #17-04

January 19, 2017



**TO: All FHA-Approved Mortgagees; All Other Stakeholders in FHA Transactions**

### NEWS AND UPDATES

#### **In this Announcement:**

- *Strengthening the Home Equity Conversion Mortgage Program* Final Rule Published Today
- New Guidance for Servicing FHA-insured Mortgages Encumbered with a PACE Obligation

See below for details.

### ***Strengthening the Home Equity Conversion Mortgage Program* Final Rule Published Today**

Today, the Federal Housing Administration (FHA) published in the *Federal Register* a final rule, *Strengthening the Home Equity Conversion Mortgage (HECM) Program* ([Docket No. FR-5353-F-03](#)). This HECM final rule is a major milestone that codifies HECM requirements implemented under the authority granted to HUD in the Housing and Economic Recovery Act of 2008, the Reverse Mortgage Stabilization Act of 2013, and statutory authority. The rule updates existing regulatory content, and provides new regulatory guidance that carries forward FHA's ongoing work to ensure the HECM program is a safe and viable financing option for seniors, usable by mortgagees, and protects FHA's Mutual Mortgage Insurance (MMI) Fund.

FHA will host an industry briefing conference call to provide an overview of the HECM final rule on February 9, 2017. Details for joining this call are included at the end of this *FHA INFO*.

#### **Provisions Contained in the Final Rule**

The publication of the HECM final rule follows more than three years of work to stabilize the HECM program and reduce risk to the MMI Fund, so that the program remains a sustainable option for seniors. In 2013, Congress passed the Reverse Mortgage Stabilization Act, authorizing FHA to quickly enact policy changes via administrative issuance such as a Mortgagee Letter to address immediate program concerns, with the expectation that FHA would follow with formal rulemaking. The HECM final rule fulfills this commitment, and:

- Includes FHA's assessment of public comments received in response to its May 19, 2016, proposed rule;
- Updates Part 206 of the Code of Federal Regulations in its entirety for the first time since 1989, providing a complete and current source for HECM regulations; and
- Contains both new policies and revisions to existing policies that become effective on September 19, 2017.

## Implementing the Provisions Contained in the Final Rule

The HECM final rule contains both new policies and revisions to existing policies that will require actions on the part of mortgagees, other program participants, and FHA to implement. FHA established an eight-month lead time between the publication of the final rule and the effective date of the provisions it contains in order to:

- Provide mortgagees and other program participants the time to understand the contents of the rule, and then to begin planning for any necessary process, operational, or systems changes;
- Allow time for FHA to issue the necessary implementation guidance for mortgagees and other program participants; and
- Complete the necessary system changes that will be required within the FHA Connection system, the Home Equity Reverse Mortgage Information Technology system, and other FHA technology systems.

FHA is currently finalizing its implementation approach, and will be communicating more specifics about operational and system changes in the coming months.

## Industry Briefing Conference Call on February 9<sup>th</sup>

Mortgagees and other stakeholders are invited to attend an industry briefing conference call on February 9<sup>th</sup>. During this call, FHA subject matter experts will provide an overview of the provisions contained in the final rule.

- **Title:** HECM Final Rule Overview
- **Date:** February 9, 2017
- **Time:** 2:00 PM – 3:00 PM (Eastern)
- **Dial-in:** (800) 707-9573
- **Access Code:** 415732

Mortgagees may submit questions in advance of this call to FHA's special email box, [FHASFCall@hud.gov](mailto:FHASFCall@hud.gov), **by midnight (Pacific), Sunday, February 5<sup>th</sup>**. Questions submitted will be considered by FHA subject matter experts for responses during the call. Please note that this is an unattended e-mail box to be used only for submitting questions for this call. FHA will be unable to respond in writing to individual questions or inquiries submitted to this e-mail box.

## Quick Links

- Review the HECM final rule in the *Federal Register* at:  
<https://www.federalregister.gov/documents/2017/01/19/2017-01044/federal-housing-administration-strengthening-the-home-equity-conversion-mortgage-program>

## New Guidance For Servicing FHA-insured Mortgages Encumbered with a Pace Obligation

Today, the Federal Housing Administration (FHA) published Mortgagee Letter [2017-06](#), *Servicing of FHA-insured Mortgages on Properties Encumbered with a Property Assessed Clean Energy (PACE) Obligation*. This Mortgagee Letter provides policies for payment of Property Assessed Clean Energy (PACE) obligation assessments, appraisal of PACE encumbered properties, and property title and conveyance requirements.

This guidance applies to all FHA Title II forward mortgage programs, and the policy revisions are effective immediately. These policy updates will be incorporated into an upcoming update of the *Single Family Housing Policy Handbook* 4000.1.

## Quick Links

- View Mortgagee Letter 2017-06 on HUD.gov at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/letters/mortgagee](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee)

---

## 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](http://www.hud.gov/answers).
- E-mail the FHA Resource Center at: [answers@hud.gov](mailto: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															
<b>FHA INFO Archives:</b>	Visit the <a href="#">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.														
<b>Subscribe/Unsubscribe Instructions:</b>	To subscribe to the Single Family FHA INFO mailing list you can use this link: <a href="#">FHA INFO</a> or send a request by email to: <a href="mailto:answers@hud.gov">answers@hud.gov</a> Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: <a href="mailto:answers@hud.gov">answers@hud.gov</a> <a href="mailto:aaa@xyz.com">aaa@xyz.com</a> <a href="mailto:bbb@xyz.com">bbb@xyz.com</a> <a href="mailto:ccc@xyz.com">ccc@xyz.com</a> <a href="#">To Unsubscribe</a> follow the unsubscribe instructions on that page.														
<b>Resource Links:</b>	<table><tbody><tr><td><a href="#">Archived Webinars</a></td><td><a href="#">Foreclosure Assistance</a></td></tr><tr><td><a href="#">Career Opportunities</a></td><td><a href="#">Grant Opportunities</a></td></tr><tr><td><a href="#">Contracting Opportunities</a></td><td><a href="#">HUD Homes Property Listings</a></td></tr><tr><td><a href="#">Events &amp; Training</a></td><td><a href="#">HUD.gov</a></td></tr><tr><td><a href="#">FHA Forms</a></td><td><a href="#">Making Home Affordable</a></td></tr><tr><td><a href="#">FHA Homeownership Centers</a></td><td><a href="#">Presidentially Declared Disaster Areas</a></td></tr><tr><td><a href="#">FHA Mortgagee Letters</a></td><td><a href="#">Visit our Single Family Home Page</a></td></tr></tbody></table>	<a href="#">Archived Webinars</a>	<a href="#">Foreclosure Assistance</a>	<a href="#">Career Opportunities</a>	<a href="#">Grant Opportunities</a>	<a href="#">Contracting Opportunities</a>	<a href="#">HUD Homes Property Listings</a>	<a href="#">Events &amp; Training</a>	<a href="#">HUD.gov</a>	<a href="#">FHA Forms</a>	<a href="#">Making Home Affordable</a>	<a href="#">FHA Homeownership Centers</a>	<a href="#">Presidentially Declared Disaster Areas</a>	<a href="#">FHA Mortgagee Letters</a>	<a href="#">Visit our Single Family Home Page</a>
<a href="#">Archived Webinars</a>	<a href="#">Foreclosure Assistance</a>														
<a href="#">Career Opportunities</a>	<a href="#">Grant Opportunities</a>														
<a href="#">Contracting Opportunities</a>	<a href="#">HUD Homes Property Listings</a>														
<a href="#">Events &amp; Training</a>	<a href="#">HUD.gov</a>														
<a href="#">FHA Forms</a>	<a href="#">Making Home Affordable</a>														
<a href="#">FHA Homeownership Centers</a>	<a href="#">Presidentially Declared Disaster Areas</a>														
<a href="#">FHA Mortgagee Letters</a>	<a href="#">Visit our Single Family Home Page</a>														



We hope that you will want to continue receiving information from HUD. We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason. Connect with HUD on [Social Media](#).