

FHA INFO #17-33

August 24, 2017



TO: All FHA-Approved Mortgagees Servicing Home Equity Conversion Mortgages

NEWS AND UPDATES

Home Equity Conversion Mortgage Servicing Implementation Guidance Issued Today

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2017-11, Implementation of HUD's January 2017 Home Equity Conversion Mortgage \(HECM\) Final Rule](#), which serves as a consolidated directive for those mortgagees required to implement certain servicing policy changes contained in the HECM final rule (see [82 FR 7094](#)) published in the *Federal Register* on January 19, 2017.

Specifically, this Mortgagee Letter provides more detail on the following three areas of servicing policy included in the HECM final rule:

- Default for Unpaid Property Charges;
- Sale of Property Securing a Due and Payable HECM; and
- Cash for Keys Incentive and Relocation Incentive.

The HECM final rule's servicing requirements, including the additional guidance contained in Mortgagee Letter 2017-11, will take effect for all FHA case numbers assigned on or after September 19, 2017. Mortgagees should review the final rule in preparation for implementing these and all other origination and servicing requirements by September 19th.

System Changes

To accommodate the implementation of the servicing policies contained in the final rule, operational and functional changes will be made to FHA systems, including the Home Equity Reverse Mortgage Information Technology (HERMIT) system. FHA will communicate more details about the specific systems changes, and their implementation date, in the future.

Quick Links

- View Mortgagee Letter 2017-11, *Implementation of HUD's January 2017 Home Equity Conversion Mortgage (HECM) Final Rule* on HUD.gov at: <https://portal.hud.gov/hudportal/documents/huddoc?id=17-11ml.pdf>
 - 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>
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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															
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.														
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