



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: October 22, 2018

Mortgagee Letter 2018-08

To: All FHA-Approved Mortgagees

Subject Updated Guidance on Home Equity Conversion Mortgage (HECM) Claim Type 22 (CT-22) Assignment Requests

Purpose This Mortgagee Letter provides updated guidance regarding the submission of HECM assignment requests to HUD.

Effective Date The guidance in this Mortgagee Letter is effective immediately.

All policy updates will be incorporated into a forthcoming update of the HUD Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1)

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send any feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Topics The policies in this Mortgagee Letter modify or supersede Mortgagee Letter 2017-05, where there is conflict.

Summary of Changes *Evidence of Current Hazard Insurance*

In lieu of a current hazard insurance declaration page, HUD will accept a document from the hazard insurance provider (i.e., hazard insurance company underwriting the property and responsible for paying a claim) on its letterhead that contains the following information:

- Name of the insured;
- Address of insured property;
- Type of coverage;
- Insurance policy number;

- Insurance policy limits;
- Effective date of the insurance policy;
- Expiration date of the insurance policy;
- Name and contact information for the insurer; and
- Annual insurance premium.

Alternative Evidence of Death of Borrower

If a servicer is unable to obtain a copy of a deceased borrower or co-borrower's death certificate, HUD will accept alternative evidence of the death for purposes of Claim Type 22 review, such as an obituary or documentation from a health care institution.

Clarification of "Current" Taxes

Taxes are considered "current" for purposes of CT-22 review when taxes are paid prior to delinquency as defined by the local taxing authority. Servicers are reminded that the eligibility determination is made at the point of assignment of the mortgage to the Secretary, not at the point of request for assignment. Any tax bill that becomes delinquent before recordation of the assignment must be paid by the borrower for the HECM to be assigned.

Evidence of Completion of Required Repairs

Where repairs were required at origination and evidenced by a repair rider to the mortgage, servicers must submit evidence that the repairs have been completed when submitting a CT-22 request. Form HUD-92051¹ or successor form and supporting documents if applicable, should be provided by servicers as evidence of completion of required repairs.

Clarification Regarding Mobile Home Title

Servicers must submit evidence that a mobile home is treated as real property under the laws of the state in which the property securing the HECM mortgage is located (e.g., copy of documents from taxing authority evidencing that the home is taxed as real property).

¹ If repairs were performed prior to December 31, 2018, FNMA Form-1004D can be utilized as evidence of completion of required repairs in lieu of Form HUD-92051.

Timeframe for Filing Claim Following Preliminary Title Approval

Servicers must file their claim for insurance benefits within 60 calendar days from receiving Preliminary Title Approval. If the claim for insurance benefits is not filed within 60 calendar days from the issuance of Preliminary Title Approval, Preliminary Title Approval will be rescinded, and the servicer must submit a new CT-22 request.

Pre-Due and Payable Corporate Advance

Servicers must include, as an additional item in the Compliance Package, a detailed explanation of all pre-Due and Payable corporate advances. This explanation must include the date of the disbursement, the expense that was paid and any information relating to repayment received.

**Information
Collection
Requirements**

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0059, 2502-0189, 2502-0524, and 2502-0611. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a currently valid OMB control number.

Questions

Any questions regarding this Mortgagee Letter may be directed to HUD's National Servicing Center at (877) 622-8525. For additional information, please visit www.hud.gov/answers or call the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach either of these numbers by calling the Federal Information Relay Service at (800) 877-8339.

Signature

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