



ASSISTANT SECRETARY FOR HOUSING  
FEDERAL HOUSING COMMISSIONER

**Date: December 17, 2020**

**Mortgagee Letter 2020-44**

**To:** All FHA-Approved Mortgagees  
All Direct Endorsement Underwriters  
All Eligible Submission Sources for Condominium Project Approvals  
All FHA Roster Appraisers  
All FHA-Approved 203(k) Consultants  
All HUD-Approved Housing Counselors  
All HUD-Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** Second Update to the COVID-19 Forbearance Start Date and the COVID-19 Home Equity Conversion Mortgage (HECM) Extension Period

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**Purpose** The purpose of this Mortgagee Letter (ML) is to further update the Effective Date of ML 2020-06 with regards to approval of the initial COVID-19 Forbearance for FHA borrowers and HECM deadlines.

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**Effective Date** This Mortgagee Letter is effective immediately.

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**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 feedback to the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov). HUD will consider the feedback in determining the need for future updates.

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**Affected Programs** This guidance applies to all FHA Title II Single Family mortgage programs.

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**Affected Topics** This ML extends the date by which Mortgagees must approve the initial COVID-19 Forbearance provided in ML 2020-06 and extended by ML 2020-34.

## Mortgagee Letter 2020-44, Continued

This ML will also extend deadlines to HECM found in ML 2020-06 related to:

- Mortgagee Letter 2015-10, *Home Equity Conversion Mortgage (HECM) Due and Payable Policies*
- Mortgagee Letter 2015-11, *Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges*
- 24 C.F.R. §206.125, *Acquisition and Sale of Properties* and §206.205, *Property Charges*

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### Background

HUD is working to provide mortgagees and borrowers with Loss Mitigation Options due to the financial impacts of the COVID-19 pandemic. On April 1, 2020, HUD published ML 2020-06 which established the Forbearance for Borrowers Affected by the COVID-19 National Emergency (COVID-19 Forbearance), the COVID-19 Standalone Partial Claim, and an extension period for Home Equity Conversion Mortgages (HECM) affected by COVID-19. On July 8, 2020, HUD published ML 2020-22, which established additional COVID-19 Loss Mitigation Options for Borrowers after the COVID-19 Forbearance period. On August 8, 2020, the President issued an Executive Order to minimize, to the greatest extent possible, residential evictions and foreclosures during the ongoing COVID-19 national emergency, and for HUD to take action to promote the ability of renters and homeowners to avoid eviction or foreclosure resulting from financial hardships caused by COVID-19. On October 20, 2020, HUD recognized the need to extend the deadlines both for beginning a COVID-19 Forbearance and for HECM beyond the October 30, 2020 date provided in ML 2020-06 and issued ML 2020-34 extending the deadline to December 31, 2020. Due to the continued COVID-19 pandemic and the continued impacts on borrowers across the country, HUD recognizes a further need to extend this deadline.

Through this ML, HUD is allowing mortgagees to approve FHA-borrowers, impacted directly or indirectly by the COVID-19 pandemic, for an initial COVID-19 Forbearance through February 28, 2021. The means of communication regarding a COVID-19 Forbearance, and the terms of the COVID-19 Forbearance remain the same as established in MLs 2020-06 and 2020-22. Through this ML, HUD is also extending the deadlines associated with the due and payable dates for a HECM for HECM borrowers impacted by the COVID-19 pandemic.

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## Mortgagee Letter 2020-44, Continued

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**Summary of Changes** This ML updates ML 2020-06 by allowing Mortgagees to approve FHA borrowers to begin a COVID-19 Forbearance and extensions to HECM deadlines for HECM borrowers impacted by COVID-19, through February 28, 2021.

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**Update to the Effective Date in ML 2020-06** Mortgagees may approve the initial COVID-19 Forward Forbearance or HECM Extension Period no later than February 28, 2021.

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**Paperwork Reduction Act** The information collection requirements contained in this document have been 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 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595 and 2502-0600. 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.

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**Questions** Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit [www.hud.gov/answers](http://www.hud.gov/answers).

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### Signature

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