



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Date: January 26, 2021

Mortgagee Letter 2021-04

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

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

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.

Effective Date This Mortgagee Letter is effective immediately.

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. HUD will consider the feedback in determining the need for future updates.

Affected Programs This guidance applies to the FHA Title II Single Family mortgage program.

Mortgagee Letter 2021-04, Continued

Background In support of President Joseph R. Biden’s plans to combat COVID-19 and provide economic relief for all Americans, HUD is working to provide Mortgagees and Borrowers with Loss Mitigation Options to mitigate 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 HECMs affected by COVID-19. HUD extended the October 30, 2020, deadline for approval of an initial COVID-19 Forbearance and the HECM Extension Period first to December 31, 2020, and more recently to February 28, 2021. 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.

Summary of Changes Through this ML, HUD is extending the date for Mortgagees to approve FHA Borrowers, impacted directly or indirectly by the COVID-19 pandemic, for an initial COVID-19 Forbearance through March 31, 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 Extension Period for HECM Borrowers impacted by the COVID-19 pandemic.

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 March 31, 2021.

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.

Mortgagee Letter 2021-04, Continued

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.

Signature

Janet M. Golrick
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Federal Housing Commissioner