



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

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: September 27, 2021

Mortgagee Letter 2021-24

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 Extension for COVID-19 Forbearance and COVID-19 Home Equity Conversion Mortgage (HECM) Extensions

Purpose The purpose of this Mortgagee Letter (ML) is to provide an additional COVID-19 Forbearance or HECM Extension for certain borrowers through the end of the COVID-19 National Emergency.

Effective Date The policies in this ML are 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 ML provides additional forbearance for certain Borrowers in section III.A.2.o.i Forbearance for Borrowers Affected by the COVID-19 National Emergency (COVID-19 Forbearance) in HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1). This ML also provides additional extensions for certain HECMs as established in ML 2020-06 and extended by MLs 2020-34, 2020-44, 2021-04, 2021-05, and 2021-15 related to:

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- ML 2015-10, *Home Equity Conversion Mortgage (HECM) Due and Payable Policies*;
 - ML 2015-11, *Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges*; and
 - 24 CFR § 206.125, Acquisition and sale of the property, and § 206.205, Property charges.
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Background

HUD continues to review FHA's policies to ensure Mortgagees and Borrowers are provided with appropriate options to mitigate the financial impacts of the COVID-19 pandemic while managing risk to the Mutual Mortgage Insurance Fund (MMIF). 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) and an Extension Period for HECMs Affected by the COVID-19 National Emergency. HUD has extended the deadlines for approval of an initial COVID-19 Forbearance and the HECM Extensions multiple times, most recently to September 30, 2021, through ML 2021-15. That ML only provided for a six-month period for a COVID-19 Forbearance or HECM Extension when requested between July 1, 2021, and September 30, 2021. Further, HUD understands that some Borrowers may be newly affected and may need relief through the end of the COVID-19 National Emergency. Due to the continued impacts of the pandemic, and in particular, the Delta variant, on Borrowers across the country, HUD recognizes a further need to provide an additional period of relief upon request to assist those impacted by COVID-19 who only recently requested assistance.

Summary of Changes

This ML provides an additional period of up to six months of COVID-19 Forbearance when the initial Forbearance was requested between July 1, 2021, and September 30, 2021.

HUD is also providing an additional period of up to six months for a COVID-19 HECM Extension when the initial extension request was made between July 1, 2021, and September 30, 2021.

This ML also establishes an initial COVID-19 Forbearance period or HECM Extension for up to six months when requested between October 1, 2021, and the end of the COVID-19 National Emergency. Further, this ML provides an additional COVID-19 Forbearance or HECM Extension period of up to six months if the initial COVID-19 Forbearance or HECM Extension is exhausted and expires during the COVID-19 National Emergency.

**Single Family
Housing
Policy
Handbook
4000.1**

**Forbearance for Borrowers Affected by the COVID-19 National
Emergency (COVID-19 Forbearance) (III.A.2.o.i)**

(B) Standard

Upon Borrower request, Mortgagees must offer a COVID-19 Forbearance to any Borrower that experiences an adverse impact on their ability to make on-time Mortgage Payments due to the COVID-19 pandemic, regardless of Default status.

All FHA Borrowers are eligible for a COVID-19 Forbearance, regardless of the delinquency status of the Mortgage.

The Mortgagee may utilize any available method for communicating with a Borrower regarding a COVID-19 Forbearance to meet these requirements. Acceptable methods of communication regarding a COVID-19 Forbearance include, but are not limited to, emails, text messages, fax, teleconferencing, websites, web portals, etc. If a Mortgagee sends out a general communication advising that a COVID-19 Forbearance is available, the Borrower may reply to that communication requesting a COVID-19 Forbearance via email, phone call, or any other method of communication clearly made available to the Borrower by the Mortgagee.

The term of the initial and any additional COVID-19 Forbearance period may be shortened at the Borrower's request.

The Mortgagee must waive all Late Charges, fees, and penalties, if any, as long as the Borrower is on a COVID-19 Forbearance Plan.

No COVID-19 Forbearance period may extend beyond six months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later.

COVID-19 Forbearance Period, Based on Date of Initial COVID-19 Forbearance

Initial Forbearance Date	Initial Forbearance Period	Additional Forbearance Period	Forbearance Extensions	Maximum Forbearance Period
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months (in 3-month increments)	Up to 18 months
July 1, 2020 – Sept. 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
Oct. 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
July 1, 2021 – Sept. 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
October 1, 2021 – the end of the COVID-19 National Emergency	Up to 6 months	Up to 6 months (if the initial forbearance will be exhausted and expires during the COVID-19 National Emergency)	0	Up to 12 months (if the Borrower is eligible for the additional COVID-19 Forbearance Period)

(1) Initial COVID-19 Forbearance Requested on or before June 30, 2020

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Mortgagee must approve, up to two additional three-month COVID-19 Forbearance extension periods. Each three-month extension must be requested individually. Neither of the two additional three-month extension periods may extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these Borrowers is 18 months.

(2) Initial COVID-19 Forbearance Requested between July 1, 2020 and September 30, 2020

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Mortgagee must approve, one additional three-month COVID-19 Forbearance extension period. The additional three-month extension period must not extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these Borrowers is 15 months.

(3) Initial COVID-19 Forbearance Requested between October 1, 2020 and June 30, 2021

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. The COVID-19 Forbearance must not extend beyond June 30, 2022. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

(4) Initial COVID-19 Forbearance Requested between July 1, 2021 and September 30, 2021

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. This COVID-19 Forbearance period must not extend beyond September 30, 2022. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

(5) Initial COVID-19 Forbearance Requested between October 1, 2021 and the End of the COVID-19 National Emergency

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee if:

- the Borrower has utilized a full six months of initial COVID-19 Forbearance; and
- the initial COVID-19 Forbearance will expire on or before the end of the COVID-19 National Emergency.

This COVID-19 Forbearance period must not extend beyond six months after the end of the COVID-19 National Emergency or

September 30, 2022, whichever is later. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

Extensions for HECMs Affected by the Presidentially Declared COVID-19 National Emergency

Changes from current policy are highlighted in yellow.

Extensions for Home Equity Conversion Mortgages (HECM) Affected by COVID-19

COVID-19 Extensions for HECMs

The following applies to all HECMs.

Initial Extension Start Date	Initial Extension Period	Additional Extension Period	Additional Extensions	Maximum Extension Period
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months (in 3-month increments)	Up to 18 months
July 1, 2020 – Sept. 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
Oct. 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
July 1, 2021 – Sept. 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
October 1, 2021 – the end of the COVID-19 National Emergency	Up to 6 months	Up to 6 months (if the initial COVID-19 Extension period will be exhausted and expires during the COVID-19 National Emergency)	0	Up to 12 months (if the Borrower or the HECM is eligible for the additional COVID-19 Extension period)

No Extension period may extend beyond six months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later.

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The term of either the initial or any additional Extension period may be shortened at the Borrower's request. The Mortgagee must waive all Late Charges, fees, and penalties, if any, accruing while the HECM is in an Extension period.

Mortgagees must notify HUD of any Extensions by submitting an Extension request into Home Equity Reverse Mortgage Information Technology (HERMIT).

For HECMs that are Not in a Due and Payable Status

Upon request of the Borrower, the Mortgagee must delay submitting a request to call a loan due and payable. The initial Extension period may be up to six months. Additional Extensions to this initial Extension period may be available to the Borrower as follows:

Initial Extension Requested on or before June 30, 2020

The Borrower can request, and the Mortgagee must approve, an **additional** Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, the Borrower may request, and the Mortgagee must approve, two additional three-month Extension periods. Each three-month Extension must be requested individually. Neither of the two additional three-month Extension periods may extend beyond December 31, 2021. The maximum Extension period for these Borrowers is 18 months.

Initial Extension Requested between July 1, 2020 and September 30, 2020

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, the Borrower may request, and the Mortgagee must approve, one additional three-month Extension period. The additional three-month Extension period must not extend beyond December 31, 2021. The maximum Extension period for these Borrowers is 15 months.

Initial Extension Requested between October 1, 2020 and June 30, 2021

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. **This Extension period must not extend beyond June 30, 2022.** The maximum Extension period for these Borrowers is 12 months.

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Initial Extension Requested between July 1, 2021 and September 30, 2021

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. This Extension period must not extend beyond September 30, 2022. The maximum Extension period for these Borrowers is 12 months.

Initial Extension Requested between October 1, 2021 and the end of the COVID-19 National Emergency

The Borrower can request, and the Mortgagee must approve, an initial Extension period of up to six months. If needed, an additional COVID-19 Extension period of up to six months may be requested by the Borrower and must be approved by the Mortgagee if:

- the Borrower has utilized a full six months of the initial COVID-19 Extension period; and
- the initial COVID-19 Extension period will expire on or before the end of the COVID-19 National Emergency.

No COVID-19 Extension period may extend beyond six months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later. The maximum COVID-19 Extension period for these Borrowers is 12 months.

For HECMs that are in a Due and Payable Status

For loans that have become automatically due and payable, entered into a deferral period (including deadlines necessary for loans to enter a deferral period), or became due and payable with HUD approval, the Borrower may request, or the Mortgagee may take, an automatic Extension for any deadline relating to foreclosure and claim submission for a period of up to six months. Additional Extensions to this initial Extension period may be available to the Borrower or Mortgagee as follows:

Initial Extension Requested on or before June 30, 2020

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, two additional three-month Extension periods can be taken. If a Borrower requests the additional three-month Extension periods, the Mortgagee must approve them. The Borrower must request each three-month Extension individually. Neither of the two additional three-month Extension periods may extend beyond December 31, 2021. The maximum Extension period for these Borrowers or Mortgagees is 18 months.

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Initial Extension Requested between July 1, 2020 and September 30, 2020

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, one additional three-month Extension period can be taken. If a Borrower requests the additional three-month Extension period, the Mortgagee must approve them. The additional three-month Extension period must not extend beyond December 31, 2021. The maximum Extension period for these Borrowers or Mortgagees is 15 months.

Initial Extension Requested between October 1, 2020 and June 30, 2021

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. **This Extension period must not extend beyond June 30, 2022.** The maximum Extension period for these Borrowers or Mortgagees is 12 months.

Initial Extension Requested between July 1, 2021, and September 30, 2021

The Borrower can request, or the Mortgagee may take, an additional Extension period of up to six months. This Extension period must not extend beyond September 30, 2022. The maximum Extension period for these Borrowers or Mortgagees is 12 months.

Initial Extension Requested between October 1, 2021 and the end of the COVID-19 National Emergency

The Borrower can request, and the Mortgagee must approve or the Mortgagee may take an initial Extension period of up to six months. If needed, an additional COVID-19 Extension period of up to six months may be requested by the Borrower and must be approved by the Mortgagee or may be taken by the Mortgagee if:

- the HECM has utilized a full six months of the initial COVID-19 Extension period; and**
- the initial COVID-19 Extension period will expire on or before the end of the COVID-19 National Emergency.**

No COVID-19 Extension period may extend beyond six months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later. The maximum COVID-19 Extension period for these HECMs is 12 months.

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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; 2502-0600; 2502-0610; 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 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

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