

SFH Guaranteed Servicing

November 22, 2021

Forbearance Timeframes for Borrowers Impacted by Hurricane Ida and Updated Attorney Fees

PURPOSE

The purpose of this announcement is to release temporary guidance for the 12-month forbearance limit for borrowers who are impacted by Hurricane Ida or will be impacted by a Presidentially Declared Disaster (PDD) during the 2021 Hurricane season and are currently on a forbearance plan due to COVID-19. This announcement also notifies lenders of updates to the Schedule of Standard Attorney/Trustee Fees in the Handbook.

Forbearance Timeframes

During the 2021 hurricane season, a significant portion of borrowers who are currently on forbearance may also be impacted by a PDD such as Hurricane Ida. Those borrowers who are near the end of their current forbearance and are subsequently impacted by another PDD may need assistance beyond the maximum forbearance period allowed under previous guidance.

Under this guidance borrowers who experience an additional temporary hardship may be offered a forbearance plan that will reduce or suspend the borrower's monthly payment for a temporary period and may exceed 12 months. During this period the borrower is not considered delinquent, and the credit history is not negatively affected. The arrearage accumulated during the pandemic forbearance should not be considered when determining the maximum length of the additional PDD forbearance. Borrowers impacted by an existing or future PDD would be allowed payment relief under the same terms they would have been provided if the pandemic forbearance had never occurred.

At the completion of the forbearance plan the servicer will work with the borrower to provide an appropriate permanent solution to cure the arrearage and return the borrower to a current status. If the borrower was current prior to the forbearance or meets the COVID-19 special relief conditions, the borrower may be offered a no-documentation option to cure the arrearage and bring the loan current. If the borrower was greater than 120 days delinquent prior to the forbearance, the borrower must be evaluated with full documentation according to the Single Family Housing Guaranteed Loan Program Loss

Mitigation Guide located in Handbook 3555, [Chapter 18](#), to determine the borrower's ability to pay once the loan is modified.

Updated Attorney Fees

Effective 08/13/21, the Schedule of Standard Attorney/Trustee Fees, located on Attachment 18-C in the Handbook 3555 have been updated. This schedule is located in Handbook 3555, [Chapter 18](#).

Questions regarding program policy and this announcement may be directed to the National Office Division at sfhglservicing@usda.gov or (202) 720-1452.

Thank you for your support of the Single-Family Housing Guaranteed Loan Program!