



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date: February 7, 2022**

**Mortgagee Letter 2022-02**

**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** Technical Update to the Extension of the Deadlines for the First Legal Action and Reasonable Diligence Time Frame

---

**Purpose** The purpose of this Mortgagee Letter is to clarify the extension of the deadlines for the first legal action and Reasonable Diligence Time Frame provided in connection with FHA's COVID-19 related foreclosure moratorium for FHA-insured Single Family Mortgages.

---

**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](mailto:answers@hud.gov). HUD will consider the feedback in determining the need for future updates.

---

- Affected Topics** This Mortgagee Letter updates:
- III.A.2.o.v, Extension of First Legal Deadline, of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1) and
  - the Moratorium on Foreclosures and Evictions and Extension of Deadlines section of Mortgagee Letter 2021-15, *Extension of the Foreclosure and Eviction Moratorium in Connection with the Presidentially-Declared COVID-19 National Emergency, Further Expansion of the COVID-19 Forbearance and the COVID-19 Home Equity Conversion Mortgage (HECM) Extensions, and Establishment of the COVID-19 Advance Loan Modification (COVID-19 ALM)*.
- 

**Background** On June 25, 2021, FHA published Mortgagee Letter 2021-15 entitled, *Extension of the Foreclosure and Eviction Moratorium in Connection with the Presidentially-Declared COVID-19 National Emergency, Further Expansion of the COVID-19 Forbearance and the COVID-19 Home Equity Conversion Mortgage (HECM) Extensions, and Establishment of the COVID-19 Advance Loan Modification (COVID-19 ALM)*<sup>1</sup>, which, in part, continued the policy to provide Mortgagees an extension to the first legal deadline and Reasonable Diligence Time Frame for foreclosures on delinquent FHA-insured mortgages. In that Mortgagee Letter, FHA continued extending the deadlines, “to 180 Days” from the date of expiration of the foreclosure moratorium. FHA’s intent was to provide maximum flexibility to Mortgagees impacted by the COVID-19 pandemic<sup>2</sup>. In order to ensure its original intent is made clear, FHA is updating the Handbook and Mortgagee Letter to clarify extensions to the first legal deadline and the Reasonable Diligence Time Frame.

---

---

<sup>1</sup> For forward mortgages, the language in the Mortgagee Letter has been superseded by Handbook 4000.1. For HECMs, Mortgagee Letter 2021-15 remains in effect.

<sup>2</sup> Mortgagees are reminded that automatic extensions found in Handbook 4000.1 may apply, including the automatic extension for federal regulations in section III.A.2.t.i.(D)(1)(c) such as the Consumer Financial Protection Bureau’s rule on *Protections for Borrowers Affected by the COVID-19 Emergency Under the Real Estate Settlement Procedures Act (RESPA), Regulation X*. See <https://hudgov.dynamics365portals.us/knowledge-details/?code=KA-05939>.

**Summary of Changes**

This Mortgagee Letter provides a technical update to section III.A.2.o.v, Extension of First Legal Deadline Date, in HUD Handbook 4000.1 and to the Moratorium on Foreclosures and Evictions and Extension of Deadlines section of Mortgagee Letter 2021-15.

---

**Single Family Housing Policy Handbook 4000.1**

The following change will be incorporated into Handbook 4000.1 as follows.

**Extension of First Legal Deadline Date (III.A.2.o.v)**

Deadlines for the first legal action and Reasonable Diligence Time Frame are extended by 180 Days from the later date of either the end of the Borrower's COVID-19 Forbearance or the expiration of the foreclosure moratorium for FHA-insured Single Family Mortgages, except for FHA-insured Mortgages secured by vacant or abandoned Properties.

If the Mortgagee needs additional time to meet the first legal deadline date; the Mortgagee must submit a request for extension of time to the NSC for HUD approval via EVARS.

---

**Mortgagee Letter 2021-15 Moratorium on Foreclosures and Evictions and Extension of Deadlines (HECM)**

Deadlines for the first legal action and Reasonable Diligence Time Frame are extended by 180 days from the later date of either the end of the Borrower's COVID-19 Extension period or the expiration of the foreclosure moratorium for FHA insured Single Family Mortgages, except for FHA-insured Mortgages secured by vacant or abandoned Properties.

If the Mortgagee needs additional time to meet the first legal deadline date for a HECM; the Mortgagee must submit a request for extension of time to the NSC for HUD approval via HERMIT.

---

**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.

---

## Mortgagee Letter 2022-02, 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](http://www.hud.gov/answers).

---

### Signature

Lopa P. Kolluri  
Principal Deputy Assistant Secretary  
Office of Housing – Federal Housing Administration