

Update to Loss Mitigation Options for Non-Borrowers Who Acquired Title Through an Exempted Transfer

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2023-11](#), *Update to ML 2023-03, Regarding Loss Mitigation Options for Non-Borrowers Who Acquired Title through an Exempted Transfer*. The ML updates and clarifies loss mitigation options for non-borrowers who acquired title of a borrower's property through a transfer that exempts the borrower's mortgage from being called due and payable under the Garn-St. Germain Depository Institutions Act. These non-borrowers who acquire title may also be referred to as successors in interest.

This ML will allow mortgagees to review exempted transferee non-borrowers who became successors in interest, and are in default or imminent default for the FHA-HAMP loss mitigation options, which include the necessary credit review for the non-borrower as required by the National Housing Act.

The provisions of this ML may be implemented immediately; however, they must be implemented no later than July 21, 2023.