

**FHA Updates Requirements Related to HECM Borrower
Payments Due to Mortgagee Default**

Today, the Federal Housing Administration (FHA), published [Mortgagee Letter \(ML\) 2023-15, Modifications to FHA Home Equity Conversion Mortgage \(HECM\) Requirements Related to Secretary Payment of Borrower Disbursements Due to Mortgagee Default](#). This ML considered industry feedback received on the draft ML posted on the [Single Family Drafting Table](#) and announced in [FHA INFO 2023-41](#).

Today's ML implements changes to the processes FHA employs for instances of anticipated or actual default of a mortgagee's disbursement obligations to a HECM borrower. The policies are designed to improve FHA's ability to make prompt payments in the event of mortgagee default, ensuring that HECM borrowers receive scheduled or requested funds in a timely manner. Specifically, this ML implements the following changes:

- Provides additional sources from which FHA can receive notice of a mortgagee's anticipated or actual default on borrower payments; and
- Requires mortgagees to provide FHA with borrower payment information when FHA determines the mortgagee is unable or unwilling to make the required borrower payments.

The provisions of this ML are effective immediately.