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Servicing Relief for Borrowers Impacted by the Maui Wildfires

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SFH Guaranteed Servicing

August 17, 2023

Servicing Relief for Borrowers Impacted by the Maui Wildfires

The USDA remains committed to assisting borrowers impacted by disasters and understands that some may experience unique and unparalleled circumstances in their hardships.

This announcement outlines relief measures that holders and/or loan servicers of USDA Single Family Housing Guaranteed Loan Program (SFHGLP) mortgages should implement to assist USDA Rural Development (RD) borrowers affected by the Maui Wildfires. Homeowners impacted may be eligible for temporary relief. Due to the magnitude and impact of this disaster, servicers must immediately implement the following for borrowers in the designated area.

1. **IMMEDIATE MORATORIUM/FORECLOSURE SUSPENSION:** An immediate moratorium should be put in place for borrowers whose properties or place of employment is directly impacted by the Maui Wildfires. The servicer must suspend all foreclosure actions for borrowers in the affected area. This applies to both the initiation of new foreclosures, as well as foreclosures already in process. This moratorium shall expire no earlier than 180 days after the date of the President Declaration unless extended by the USDA.
2. **FORBEARANCE:** USDA encourages SFHGLP loan servicers to evaluate forbearance options for borrowers in distress as a result of the Maui Wildfires. Borrowers impacted may be placed on a forbearance of up to 12 months to provide payment relief from their mortgage obligation during this time. Precise and consistent communication with borrowers should help determine whether their difficulties are directly or indirectly related to the wildfire, or whether the issue stems from other sources which must be addressed. Guidance relating to this topic can be found in [Chapter 18 of the program Handbook](#).
3. **REPORTING:** Servicers are reminded that they must report the appropriate default status codes associated with the actions taking place. These instructions apply only to USDA Electronic Status Reporting requirements and do not apply to credit bureau reporting. Servicers should confer with their legal team for requirements pertaining to credit bureau reporting. The default status codes are located on the USDA LINC Training and Resource Library, or by clicking [here](#).
4. **DOCUMENTATION:** Servicers should fully document their decisions when loss mitigation servicing actions are implemented. The documentation should substantiate their loss mitigation decision and should follow the Agency's outline in "Assistance in Natural Disasters", located in [Chapter 18 of the program Handbook](#).

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

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

Help Resources

Policy Questions

Customer Service Center
Phone: 866-550-5887
Single Family Housing Guaranteed Loan Division
Phone: 202-720-1452

Rural Development Help Desk

For GUS system, outage or functionality assistance
Email: RD.HD@USDA.GOV

Important Links:

SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>
SFHGLP webpage: <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>
USDA LINC Training and Resource Library:
<https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>
Procedure Notices: <https://www.rd.usda.gov/resources/directives/procedures-notices>



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