

SFH Guaranteed Servicing

August 21, 2024

Advance Notice: Revisions to HB-1-3555, Chapters 17, 18, and 19

The Single Family Housing Guaranteed Loan Program (SFHGLP) is pleased to announce upcoming revisions to technical Handbook 1-3555, Chapter 17, Regular Servicing – Performing Loans; Chapter 18, Servicing Non-Performing Loans – Accounts with Repayment Problems; and Chapter 19, Loss Claims – Collecting on the Guarantee. These changes are expected to be implemented on February 11, 2025 in conjunction with the effective date of the [Special Servicing Options Final Rule](#). Below are the highlighted revisions:

Chapter 17 – Regular Servicing – Performing Loans

- Added guidance for Mortgage Recovery Advances.
- Clarified the timeframe that servicers are required to review and correct status and default reject errors.
- Clarified the requirements for an assumption under Garn-St. Germain.
- Added guidance for closing a transfer with an assumption of the outstanding debt.

Chapter 18 – Servicing Non-Performing Loans – Accounts with Repayment Problems

- Clarified that servicing related cost and fee schedules can be located on the LINC Training and Resource Library website and updated all references to these schedules throughout the Chapter.
- Clarified that on or before the day an account becomes 60 dates past due and before initiating a liquidation action, the servicer must assess the condition of the property, determine occupancy, and take steps to preserve and protect the property.
- Added guidance for Mortgage Recovery Advances.
- Added additional guidance to the “Acceleration” portion of Section 18.9 to include the requirements for a “Streamline Option.”
- Removed guidance specific to the COVID-19 public health emergency.
- Clarified guidance in Attachment 18-A, The Loss Mitigation Guide.
- Removed Attachments 18-B, 18-C, 18-D, and 18-E which will be placed on the LINC Training and Resource Library website.

Chapter 19 – Loss Claims – Collecting on the Guarantee

- Updated the process completed by Agency staff to calculate and approve a loss payment to reflect current practice.