

FHA Modernizes Engagement with Borrowers in Default Requirements

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2024-24](#), *Modernization of Engagement with Borrowers in Default*, which provides guidance for implementing the provisions of the final rule, *Modernization of Engagement with Mortgagors in Default* ([Docket No. FR-6353-F-02](#)), which published in the Federal Register on August 2, 2024.

Specifically, this ML:

- updates the requirements for mortgagees to meet with borrowers in default; and
- allows mortgagees to satisfy the meeting requirement by giving them the ability to use alternative communication methods to discuss available loss mitigation options with borrowers and to help them keep them in their homes.

This ML also contains alternative interim procedures for engaging borrowers in default. These interim procedures are effective January 1, 2025, through June 30, 2025. These interim procedures give mortgagees the ability to maintain their current operations while working towards implementing the ML's permanent provisions, which may be implemented immediately but must be implemented no later than July 1, 2025.