

A red icon of a house with a chimney, positioned to the left of the title.

# FHA COVID-19 Loss Mitigation Updates for Housing Counselors

**Audio is only available by conference call**

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**Participant Access Code: 702209**

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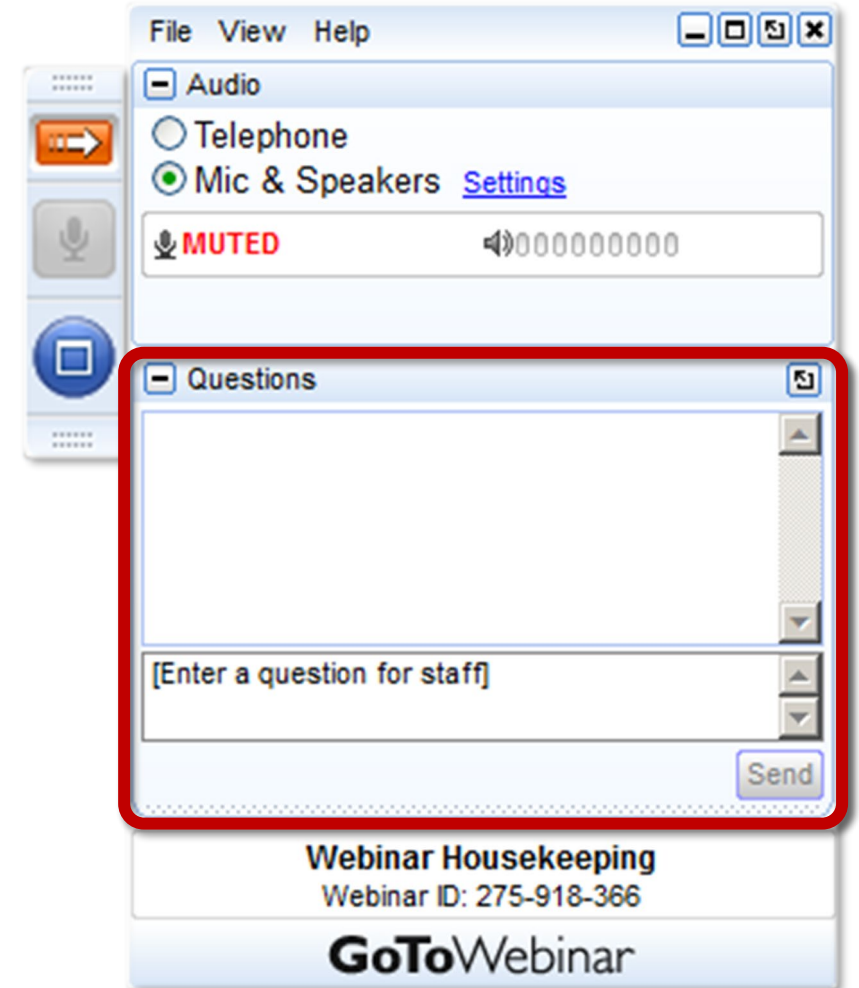
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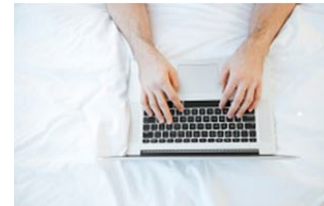
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# David Berenbaum

Deputy Assistant Secretary  
HUD Office of Housing Counseling (OHC)



# Presenters

## **Presenters:**

- Matt Martin, Director, HUD National Servicing Center
- Rob Weber, OHC-OCB

## **Q & A:**

- Jane Charida, OHC-OCB
- Tammy Dunn, OHC-OCB

# Agenda

- ML 2021-05 Summary of Changes
- Moratorium on Foreclosures and Evictions and Extension of Deadlines
- Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency
- COVID-19 Forbearance
- COVID-19 Home Retention and Disposition Options
- Required Housing Counseling Notifications
- COVID-19 Outreach Materials for HUD-approved Housing Counseling Agencies
- Resources
- Q/A

# Summary of Changes

Key Changes to HUD's Loss Mitigation Policy for Borrowers Affected by the COVID-19 National Emergency include:

- Extending the foreclosure and eviction moratorium to June 30, 2021 and the deadline for the first legal action and the Reasonable Diligence Time Frame to 180 days;
- Extending the start dates for the COVID-19 Forbearance and HECM extension period to June 30, 2021;
- Providing up to two additional three-month COVID-19 Forbearance periods or HECM extension periods for certain Borrowers;
- Allowing additional Borrowers impacted by COVID-19, regardless of delinquency status or participation on a COVID-19 Forbearance, to utilize FHA's COVID-19 Loss Mitigation options; and
- Removing the restriction on Borrowers receiving more than one COVID-19 Home Retention option.

The policies announced in ML 2021-05 are effective immediately.



# Moratorium on Foreclosures and Evictions and Extension of Deadlines



# Moratorium on Foreclosures and Evictions and Extension of Deadlines

## Moratorium on Foreclosures and Evictions

- FHA-insured Single Family mortgages, excluding vacant or abandoned properties, are subject to an extension to the moratorium on foreclosure through **June 30, 2021**.
- The moratorium applies to the initiation of foreclosures and to foreclosures in process.
- Evictions of persons from properties securing FHA-insured Single Family mortgages are also suspended through **June 30, 2021**.
- Mortgagees may take actions to evict occupants of legally vacant or abandoned properties.

## Extension of Deadlines

- Deadlines for the first legal action and reasonable diligence time frames are extended to **180 days** from the **June 30, 2021** date of expiration of the moratorium for FHA-insured Single Family mortgages, except for FHA-insured mortgages secured by vacant or abandoned properties.





# Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency





# Overview — Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency

The COVID-19 Forbearance provides Borrowers who experience an adverse impact on their ability to make on-time Mortgage Payments due to the COVID-19 pandemic with a forbearance period, upon request, which allows for one or more periods of reduced or suspended payments without specific terms of repayment.

# Overview — Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency (cont.)

**The following COVID-19 Home Retention Options provide options to reinstate the Mortgage for Borrowers who are able to resume monthly or modified monthly Mortgage payments:**

- Owner-Occupant Borrowers are eligible to be reviewed for the:
  - COVID-19 Standalone Partial Claim;
  - COVID-19 Owner-Occupant Loan Modification;
  - COVID-19 Combination Partial Claim and Loan Modification; and
  - COVID-19 FHA Home Affordable Modification Program (FHA-HAMP) Combination Loan Modification and Partial Claim with Reduced Documentation, which may include principal deferment and requires income documentation.
- Non-Occupant Borrowers are eligible to be reviewed for the COVID-19 Non-Occupant Loan Modification.

# Overview — Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency (cont.)

**COVID-19 Home Disposition Options provide options for the disposition of a Property if the Borrower is unable to reinstate the Mortgage. The following COVID-19 Home Disposition Options are available to Owner-Occupant and Non-Occupant Borrowers:**

- COVID-19 Pre-Foreclosure Sale (PFS); and
- COVID-19 Deed-in-Lieu (DIL) of Foreclosure.

# Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency — Standard Requirements

- Upon Borrower request, Mortgagees must offer an initial COVID-19 Forbearance to any Borrower that experiences an adverse impact on their ability to make on-time Mortgage Payments due to the COVID-19 pandemic, regardless of Default status.
- Owner-Occupant Borrowers must be reviewed for the COVID-19 Standalone Partial Claim, the COVID-19 Owner-Occupant Loan Modification, the COVID-19 Combination Partial Claim and Loan Modification, or the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation.
- Non-Occupant Borrowers must be reviewed for the COVID-19 Non-Occupant Loan Modification.
- Eligible Borrowers may receive more than one COVID-19 Home Retention Option.

# Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency — Standard Requirements (cont.)

**For Borrowers who were on a COVID-19 Forbearance or other forbearance related to the COVID-19 Pandemic, the Mortgagee must:**

- Review all Borrowers who were on a COVID-19 Forbearance **or other forbearance related to the COVID-19 pandemic**, for COVID-19 Loss Mitigation Home Retention and Home Disposition Options after the completion or expiration of the Borrower's forbearance period.
- Complete a Loss Mitigation Option for these Borrowers no later than **120 Days** from the earlier of the date of completion or expiration of the forbearance.
  - **If the Borrower's forbearance has completed or expired on or prior to February 16, 2021, the Mortgagee has 120 Days from February 16, 2021, to complete the Loss Mitigation Option.**
  - For Home Disposition Options, a signed Approval to Participate (ATP) Agreement (form HUD-90045) or a signed DIL Agreement will meet this requirement.

# Loss Mitigation for Borrowers Affected by the COVID-19 National Emergency — Standard Requirements (cont.)

**For Borrowers who were not on a COVID-19 Forbearance or other forbearance related to the COVID-19 Pandemic, the Mortgagee must:**

- Review all Borrowers who did not participate on a COVID-19 Forbearance or other forbearance related to the COVID-19 pandemic for COVID-19 Loss Mitigation Home Retention and Home Disposition Options when the Borrower is 90 or more Days Delinquent and the Borrower affirms they have been negatively impacted by COVID-19.
  - This expansion of eligibility for the COVID-19 Loss Mitigation Options for these Borrowers is temporary and will continue until HUD issues a further notice.
- Complete a Loss Mitigation Option for these Borrowers no later than 120 Days from the date of the Borrower's request for loss mitigation assistance.





# COVID-19 Forbearance

# COVID-19 Forbearance — Overview

- If a Borrower is experiencing a financial hardship negatively impacting their ability to make on-time Mortgage Payments due to COVID-19 and makes a request for a COVID-19 Forbearance, the Mortgagee must offer the Borrower a COVID-19 Forbearance.
- The COVID-19 Forbearance allows for one or more periods of reduced or suspended payments without specific terms of repayment.
- All FHA-insured Borrowers are eligible for a COVID-19 Forbearance, regardless of the delinquency status of the Mortgage.

# COVID-19 Forbearance – Communication Methods

- The Mortgagee may utilize any available method for communicating with a Borrower regarding a COVID-19 Forbearance.
  - Acceptable methods of communication include, but are not limited to:
    - Emails
    - text messages
    - fax
    - teleconferencing
    - websites, web-portals, etc.
  - If a Mortgagee sends out a general communication advising that a COVID-19 Forbearance is available, the Borrower may reply to that communication requesting a COVID-19 Forbearance, via e-mail, phone call, or any other method of communication clearly made available to the Borrower by the Mortgagee.

# COVID-19 Forbearance Period

- Mortgagees must approve the initial COVID-19 Forward Forbearance no later than **June 30, 2021**.
- The initial Forbearance period may be up to 6 months. If needed, an additional COVID-19 Forbearance period of up to 6 months may be requested by the Borrower and must be approved by the Mortgagee.
- For Borrowers who requested their initial COVID-19 Forbearance on or before June 30, 2020, if needed, the Borrower may request, and the Mortgagee must approve, up to two additional three-month COVID-19 Forbearance periods, after 12 months of COVID-19 Forbearance.
  - The Borrower must request each three-month extension individually.
  - Neither of the two additional three-month COVID-19 Forbearance periods may extend beyond December 31, 2021.
- No COVID-19 Forbearance period may extend **beyond June 30, 2022**.
- The term of the initial and any additional Forbearance period may be shortened at Borrower's request.
- The Mortgagee must waive all Late Charges, fees, and penalties, if any, as long as the Borrower is on a COVID-19 Forbearance Plan.





# COVID-19 Standalone Partial Claim



# Eligibility for COVID-19 Standalone Partial Claim

For any **Owner-Occupant Borrowers** who is eligible for COVID-19 Loss Mitigation Options, the Mortgagee must evaluate the Borrower for the COVID-19 Standalone Partial Claim. ~~no later than the end of the COVID-19 Forbearance period(s)~~

**The Mortgagee must ensure the following eligibility requirements are met:**

- ~~• The Mortgage was current or less than 30 Days past due as of March 1, 2020.~~
- The Borrower indicates they have the ability to resume making on-time Mortgage Payments; and
- The Property is owner-occupied.

**ML 2021-05 updates the Borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.**



# Terms of the COVID-19 Standalone Partial Claim

**The Mortgagee must ensure the following terms are met:**

- The COVID-19 Standalone Partial Claim fully reinstates the Mortgage;
- All Late Charges, fees, and penalties are waived **except that Mortgagees are not required to waive Late Charges, fees, and penalties, if any, accumulated prior to March 1, 2020;**
- The COVID-19 Standalone Partial Claim amount includes only arrearages, which consists of Principal, Interest, Taxes, and Insurance (PITI); and
- The COVID-19 Standalone Partial Claim does not exceed the 30 percent maximum statutory value of all Partial Claims for an FHA-insured Mortgage, as listed in Statutory Maximum for Partial Claims (III.A.2.k.v(D)(2)(a));
- ~~The Borrower receives only one permanent COVID-19 Home Retention Option.~~

**ML 2021-05 updates the terms of the COVID-19 Standalone PC removing the restriction on Borrowers receiving more than one COVID-19 Home Retention Option.**



# COVID-19 Owner-Occupant Loan Modification



# COVID-19 Owner-Occupant Loan Modification

For eligible **Owner-Occupant Borrowers** who do not qualify for the COVID-19 Standalone Partial Claim, the Mortgagee must review the Borrower for a COVID-19 Owner-Occupant Loan Modification, which modifies the rate and term of the Mortgage ~~at the end of the COVID-19 Forbearance period.~~

# Eligibility for COVID-19 Owner-Occupant Loan Modification

**The Mortgagee must ensure the following eligibility requirements are met:**

- ~~• The Mortgage was current or less than 30 Days past due as of March 1, 2020;~~
- The Borrower indicates they have the ability to make the modified Mortgage Payment, and
- The Property is owner-occupied.

**ML 2021-05 updates the borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.**

# Terms of the COVID-19 Owner-Occupant Loan Modification

**Mortgagee must ensure the following terms are met:**

**The Mortgagee must modify the Mortgage as follows:**

- The Mortgagee **must ensure** that all Late Charges, fees, and penalties are waived **except that Mortgagees are not required to waive Late Charges, fees, and penalties, if any, accumulated prior to March 1, 2020;**
- The Mortgagee must only capitalize into a COVID-19 Owner-Occupant Loan Modification:
  - Arrearages for unpaid accrued interest,
  - Mortgagee advances for escrowed items, **and**
  - **An escrow shortage that falls below the target balance, calculated during an escrow analysis, that exceeds the amount of the Mortgagee's advances already capitalized in the modified Mortgage.**
- The COVID-19 Owner-Occupant Loan Modification must fully reinstate the Mortgage.
- The modified Mortgage must be a fixed rate Mortgage.

# Terms of the COVID-19 Owner-Occupant Loan Modification (cont'd)

**Mortgagee must ensure the following terms are met:**

- The interest rate must not be greater than the Market Rate as defined by HUD.
- The term for the modified Mortgage is 360 months.
  - The term may be less than 360 months if requested by the Borrower.
- The Borrower's Principal and Interest (P&I) may not increase under the COVID-19 Owner-Occupant Loan Modification unless:
  - The Borrower has exhausted the maximum 30 percent maximum statutory value of all Partial Claims for an FHA-insured Mortgage.
- The FHA-insured modified Mortgage must remain in first lien position and is legally enforceable.
- ~~The Borrower(s) receives only one permanent COVID-19 Home Retention Option.~~

**ML 2021-05 updates the terms of the COVID-19 Owner-Occupant Loan Modification removing the restriction on Borrowers receiving more than one COVID-19 Home Retention Option.**





# COVID-19 Combination Partial Claim and Loan Modification



# COVID-19 Combination Partial Claim and Loan Modification

For Owner-Occupant Borrowers who do not meet the eligibility and term requirements for a COVID-19 Standalone Partial Claim or a COVID-19 Owner-Occupant Loan Modification, the Mortgagee must review the Borrower for a COVID-19 Combination Partial Claim and Loan Modification.

# Eligibility for COVID-19 Combination Partial Claim and Loan Modification

**The Mortgagee must ensure the following eligibility requirements are met:**

- ~~• The Mortgage was current or less than 30 Days past due as of March 1, 2020;~~
- The Borrower has not exceeded the 30 percent statutory maximum value of all Partial Claims for an FHA-insured Mortgage, as listed in Statutory Maximum for Partial Claims (III.A.2.k.v(D)(2)(a));
- The Borrower indicates they have the ability to make the modified Mortgage Payments; and
- The Property is owner-occupied.

**ML 2021-05 updates the borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.**

# Terms of the COVID-19 Combination Partial Claim and Loan Modification

**The Mortgagee must ensure the following terms are met:**

- All Late Charges, fees, and penalties are waived **except that Mortgagees are not required to waive Late Charges, fees, and penalties, if any, accumulated prior to March 1, 2020.**
- The Mortgagee must only capitalize into the modified Mortgage of the COVID-19 Combination Partial Claim and Loan Modification:
  - Arrearages for unpaid accrued interest,
  - Mortgagee advances for escrowed items, and
  - **an escrow shortage that falls below the target balance, calculated during an escrow analysis, that exceeds the amount of the Mortgagee's advances already capitalized in the modified mortgage.**
- The Mortgagee must determine the maximum Partial Claim amount available that does not exceed the 30 percent maximum statutory value of all Partial Claims for an FHA-insured Mortgage.
  - The Mortgagee must apply any remaining available Partial Claim amount toward the arrearage first, and then capitalize the remaining arrearage into the modified Mortgage.

# Terms of the COVID-19 Combination Partial Claim and Loan Modification (cont'd)

**Mortgagee must ensure the following terms are met:**

- The COVID-19 Combination Partial Claim and Loan Modification must fully reinstate the Mortgage.
- The modified Mortgage must be a fixed rate Mortgage.
- The interest rate is no greater than the Market Rate as defined by HUD.
- The term for the modified Mortgage is 360 months.
  - The term may be less than 360 months if requested by the Borrower.
- The Borrower's monthly Mortgage Payment may increase.
- The FHA-insured modified Mortgage must remain in first lien position and is legally enforceable.
- ~~The Borrower(s) receives only one permanent COVID-19 Home Retention Option.~~

**ML 2021-05 updates the terms of the COVID-19 Owner-Occupant Loan Modification eliminating the requirement that the Borrower(s) receives only one COVID-19 Home Retention Option.**



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# COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim

# COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation

Borrowers may provide income documentation to be reviewed for an affordable monthly payment under a COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation, which may include a Principal Deferment.

# Eligibility for COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation

**Mortgagee must ensure the following eligibility requirements are met:**

- ~~The Mortgage was current or less than 30 Days past due as of March 1, 2020;~~
- The Property is owner-occupied;
- The Borrower has not exhausted the 30 percent statutory maximum value of all Partial Claims for an FHA-insured Mortgage; and
- The Borrower is not eligible for the COVID-19 Home Retention Options due to the following:
  - The Borrower is not eligible for the COVID-19 Standalone Partial Claim because the Borrower indicates they are unable to resume the existing monthly Mortgage Payments after the COVID-19 Forbearance; or
  - The Borrower is not eligible for the COVID-19 Combination Partial Claim and Loan Modification because the Borrower indicates they are unable to make the modified monthly Mortgage Payment under the COVID-19 Combination Partial Claim and Loan Modification.

**ML 2021-05 updates the borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.**

# Terms of the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation

**The Mortgagee must ensure the following terms are met:**

- The Mortgagee must review the Borrower for an affordable monthly Mortgage Payment using the FHA-HAMP calculations in Step 5 of the Loss Mitigation Home Retention Waterfall Options (III.A.2.j.iii).
- If required, a Principal Deferment may be utilized. No portion of the Partial Claim may be used to bring the modified PITI monthly payment below the targeted payment.

# Terms of the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation (cont'd)

**The Mortgagee must ensure the following terms are met:**

- The following reduced income documentation requirements are adequate to review the Borrower for a COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim:
  - The Borrower's most recent pay stub for wage income reflecting year-to-date earnings; or
  - The Borrower's most recent bank statement reflecting deposits of income amounts from applicable sources; or
  - Other documentation (e.g., monthly statement of Social Security benefits, monthly pension statement) reflecting the amount of income.



# Terms of the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation (cont'd)

**Mortgagee must ensure the following terms are met:**

- All Late Charges, fees, and penalties must be waived except that Mortgagees are not required to waive Late Charges, fees, and penalties, if any, accumulated prior to March 1, 2020.
- The Mortgagee must only capitalize into the modified Mortgage:
  - Arrearages for unpaid accrued interest,
  - Mortgagee advances for escrowed items, and
  - an escrow shortage that falls below the target balance, calculated during an escrow analysis, that exceeds the amount of the Mortgagee's advances already capitalized in the modified mortgage.
- The Mortgagee must determine the maximum Partial Claim amount available that does not exceed the 30 percent maximum statutory value of all Partial Claims for an FHA-insured Mortgage as listed in Statutory Maximum for Partial Claims (III.A.2.k.v(D)(2)(a).

# Terms of the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation (cont'd)

**Mortgagee must ensure the following terms are met:**

- The COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim must fully reinstate the Mortgage.
- The modified Mortgage must be a fixed rate Mortgage.
- The interest rate is no greater than the Market Rate as defined by HUD.
- The term for the modified Mortgage is 360 months.
- The Borrower's monthly Mortgage Payment may increase.
- The FHA-insured modified Mortgage must remain in first lien position and is legally enforceable.

# Terms of the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation (cont'd)

**Mortgagee must ensure the following terms are met:**

- To allow adequate time to complete the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation, obtain all required signatures and provide adequate notice to the Borrower of the new payment, Mortgagees may include an additional month in the total outstanding debt to be resolved.
  - The Mortgagee must not provide the Borrower with any cash from the COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation.



# COVID-19 Non-Occupant Loan Modification



# COVID-19 Non-Occupant Loan Modification

~~At the expiration of the COVID-19 Forbearance period,~~

The Mortgagee must review Non-Occupant Borrowers for a COVID-19 Non-Occupant Loan Modification, which modifies the rate and term of the Mortgage.



# Eligibility for COVID-19 Non-Occupant Loan Modification

**The Mortgagee must ensure the following eligibility requirements are met:**

- ~~• The Mortgage was current or less than 30 Days past due as of March 1, 2020.~~
- The Borrower indicates they have the ability to make the modified Mortgage Payments; and
- The Property is not owner-occupied.
  - The Property can be used as a Rental Property, Secondary Residence, or Vacation Home for the Borrower.

**ML 2021-05 updates the borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.**

# Terms of the COVID-19 Non-Occupant Loan Modification

**The Mortgagee must ensure the following terms are met:**

The Mortgagee must modify the Mortgage as follows:

- All Late Charges, fees, and penalties are waived **except that Mortgagees are not required to Late Charges, fees, and penalties, if any, accumulated prior to March 1, 2020;**
- The Mortgagee must only capitalize into a COVID-19 Non-Occupant Loan Modification:
  - Arrearages for unpaid accrued interest, and
  - Mortgagee advances for escrowed items and
  - **an escrow shortage that falls below the target balance, calculated during an escrow analysis, that exceeds the amount of the Mortgagee's advances already capitalized in the modified mortgage**
- The COVID-19 Non-Occupant Loan Modification must fully reinstate the Mortgage.
- The modified Mortgage is modified to a fixed rate Mortgage.

# Terms of the COVID-19 Non-Occupant Loan Modification (cont'd)

**The Mortgagee must ensure the following terms are met:**

- The interest rate is no greater than the Market Rate as defined by HUD.
- The term for the modified Mortgage is 360 months.
  - The term may be less than 360 months if requested by the Borrower.
- The Borrower's total monthly Mortgage Payment may increase.
- The Mortgagee must ensure the FHA-insured Mortgage remains in first lien position and is legally enforceable.
- ~~The Borrower(s) receives only one permanent COVID-19 Home Retention Option.~~

**ML 2021-05 updates the terms of the COVID-19 Non-Occupant Loan Modification removing the requirement that the Borrower(s) receives only one COVID-19 Home Retention Option.**

# Required Documentation for the COVID-19 Non-Occupant Loan Modification

**The Mortgagee must document the following in the **Servicing** File for the COVID-19 Non-Occupant Loan Modification:**

- A copy of the rental agreement for each rental unit, if applicable; and
- A written statement from the Borrower stating:
  - They are the landlord of the Property and their renter is impacted, directly or indirectly, by the COVID-19 pandemic and is either unable to make rent payments or has vacated the Property; or
  - The Property is used as a Secondary Residence or a Vacation Home for the Borrower.



# COVID-19 Home Disposition Options



# COVID-19 Home Disposition Options

Mortgagees must review Borrowers that are impacted, directly or indirectly, by COVID-19, that do not qualify for a COVID-19 Home Retention Option or indicate that they cannot resume making the monthly or modified monthly Mortgage Payment, for the COVID-19 Home Disposition Options.

- **COVID-19 Pre-foreclosure Sale**
  - With lender's permission, borrower offers house for sale at fair market value even if the amount received from the sale is less than the amount owed
  - Certain conditions allow borrower to be eligible to receive relocation expenses
- **COVID-19 Deed-in-lieu of Foreclosure**
  - Borrower was unable to complete a Pre-foreclosure Sale transaction
  - Borrower voluntarily offers the deed as collateral Property to HUD in exchange for a release from all obligations under the Mortgage.
  - Borrower may be eligible to receive relocation expenses
  - Possible income tax consequences
- COVID-19 Home Disposition Options are available to Owner-Occupant and Non-Occupant Borrowers.
- [ML 2021-05 updates the borrower eligibility requirements removing the requirement that the Mortgage was current or less than 30 Days past due as of March 1, 2020.](#)



# Required Financial Evaluation for other Loss Mitigation Home Retention Options

- The Mortgagee must evaluate any Borrower who is not eligible for a COVID-19 Home Retention or Disposition Option, ~~because the Mortgage was not current or less than 30 Days past due as of March 1, 2020,~~ for HUD's standard Loss Mitigation Home Retention Options (III.A.2.k) and Home Disposition Options (III.A.2.l).

**ML 2021-05 updates the borrower eligibility requirements for the COVID-19 Loss Mitigation options to include all Borrowers impacted by COVID-19 regardless of prior delinquency status.**

# Reporting to Consumer Reporting Agencies

- Any Borrower who is granted a COVID-19 Forbearance and is otherwise performing as agreed is not considered to be delinquent for purposes of credit reporting.

# Required Housing Counseling Notifications

**Mortgagees must provide delinquent borrowers with notice describing availability of housing counseling offered by HUD-approved housing counseling agencies.**

- Mortgagees are currently required to prepare such a notice that provides the information required by FHA
- Informs delinquent borrowers of the availability of housing counseling services provided by HUD-approved housing counseling agencies
- Is provided in accessible formats or languages when such borrower communications have been requested by persons with disabilities and persons with limited English proficiency
- Provides instructions for locating a HUD-approved housing counseling agency in the borrower's area
- Describes housing counseling and the potential benefits of engaging in housing counseling

# COVID-19 Outreach Materials

HUD's Office of Housing Counseling is making social media materials available to HUD-approved housing counseling agencies, housing finance agencies, and intermediaries to assist in reaching those struggling to make their mortgage payments as a result of COVID-19.

<https://www.hudexchange.info/programs/housing-counseling/covid-19/outreach/>

- HUD-approved housing counseling agencies may use these materials if they choose, but use is not mandatory.

# COVID-19 Outreach Materials (cont.)

## Web Banners, Electronic Communications, and Social Media

Customize materials by adding agency-specific logos and contact information at the bottom.

### **You've Worked Hard for Your Home... Now Take the Steps to Keep It.**

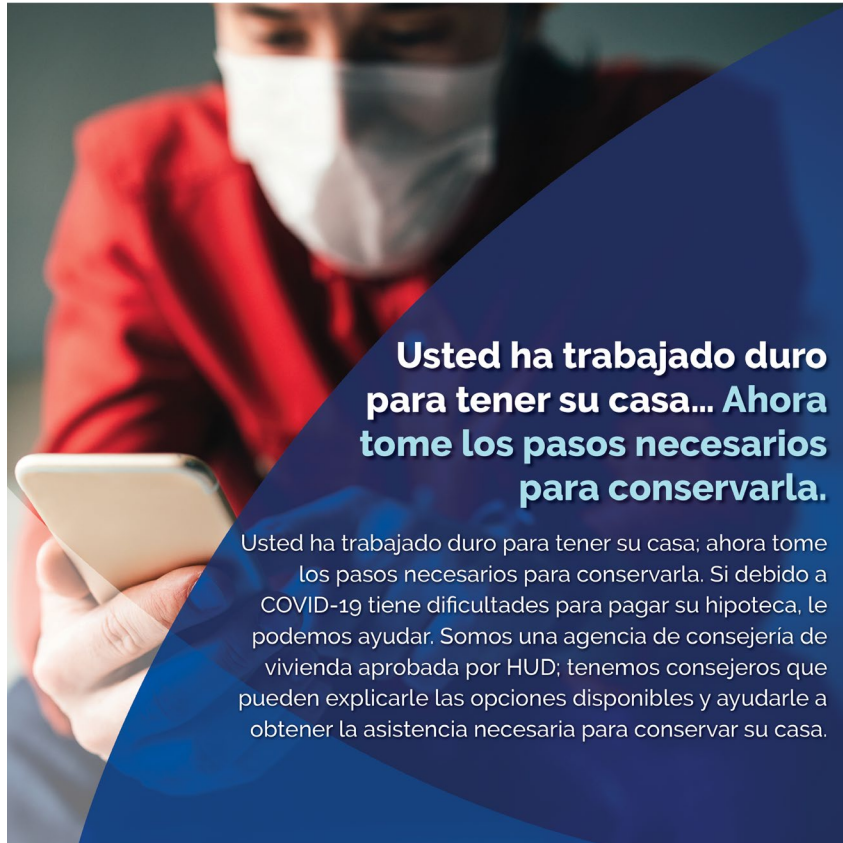
You've worked hard to get your home, now take the steps to keep it. If you're struggling with your mortgage payment because of COVID-19, we can help. We're a HUD-approved housing counseling agency, with counselors available who can explain the options and help you obtain the assistance you need to keep your home.





# COVID-19 Outreach Materials (cont.)

## Web Buttons and Web Promotional Ads



**Usted ha trabajado duro para tener su casa... Ahora tome los pasos necesarios para conservarla.**

Usted ha trabajado duro para tener su casa; ahora tome los pasos necesarios para conservarla. Si debido a COVID-19 tiene dificultades para pagar su hipoteca, le podemos ayudar. Somos una agencia de consejería de vivienda aprobada por HUD; tenemos consejeros que pueden explicarle las opciones disponibles y ayudarle a obtener la asistencia necesaria para conservar su casa.



**You've Worked Hard for Your Home... Now Take the Steps to Keep It.**

You've worked hard to get your home, now take the steps to keep it. If you're struggling with your mortgage payment because of COVID-19, we can help. We're a HUD-approved housing counseling agency, with counselors available who can explain the options and help you obtain the assistance you need to keep your home.





# Resources

# FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	<a href="http://www.hud.gov/answers">www.hud.gov/answers</a>	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	<a href="mailto:answers@hud.gov">answers@hud.gov</a>	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.

# National Housing Resource Center: Servicer Directories

## **NHRC Provides Mortgage Servicer Contact Directory to Help Consumers and Counselors During COVID-19**

- Directory of 34 mortgage servicer telephone lines and online intake portals for homeowners to reach their servicer directly
- Second directory exclusively for housing counselors with servicer communication channels and escalation lines for counselors to solve problems with servicers. This counselor directory is only available for counselors with HUD approved housing counseling agencies.

# Resources



- [HUD COVID-19 Resources](#)
- [HUD Exchange: COVID-19 Emergency Information for Housing Counselors](#)
- [FHA Mortgage Letter 2021-05](#)
- [FHA Resource Center](#)
- [National Housing Resource Center](#)





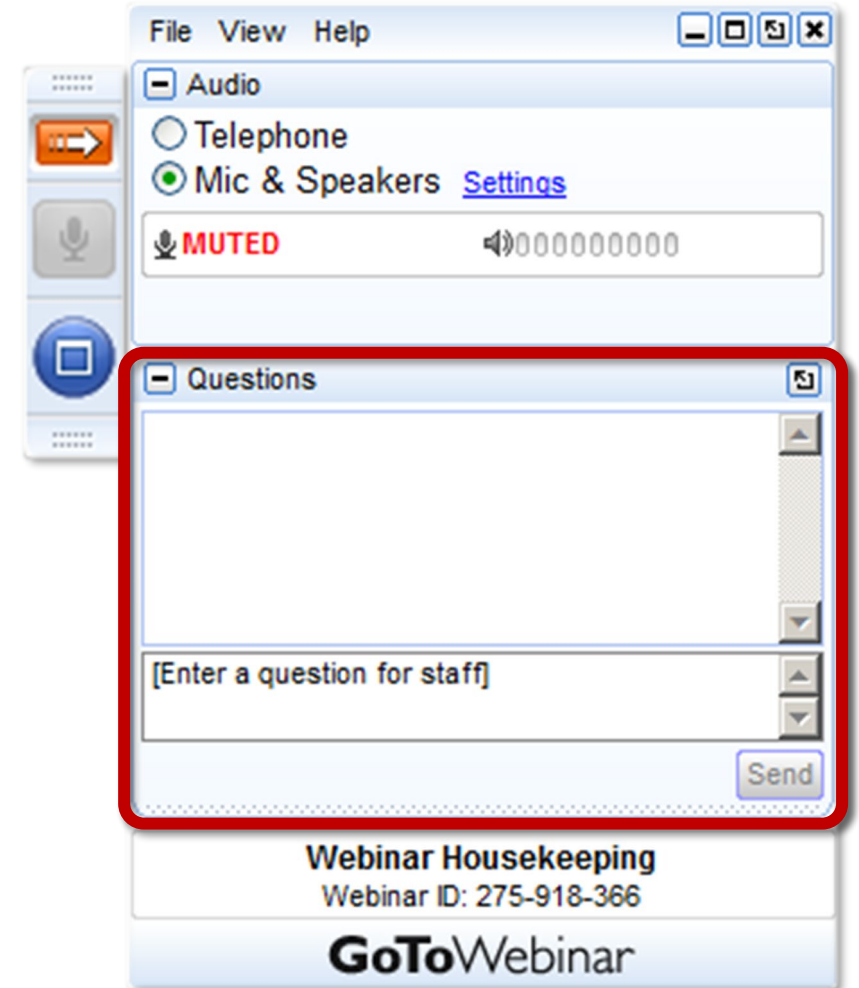
# Questions



# Before You Go

## Please give us feedback in the Question Box

- Was this webinar useful to you? To your clients?
- Will you share the information with your co-workers?
- Any other comments?





# Office of Housing Counseling



- **Find us at:**  
[www.hudexchange.info/counseling](http://www.hudexchange.info/counseling)
- **Email us at:**  
[Housing.counseling@hud.gov](mailto:Housing.counseling@hud.gov)



# Thank You for Attending!