

SAMPLE REQUEST FOR HUD APPROVAL
TO EXTEND MORTGAGE TERM BY MORE THAN TEN YEARS

(NOTE: Specifics, especially those in underlined portions of the letter should be completed to meet the circumstances of the actual case involved. In this example, dollar amounts do not necessarily represent actual amounts associated with other terms of the mortgage being considered)

LENDER LETTERHEAD

January 28, 1990

Washington, D.C. Office
Department of Housing
and Urban Development
451 Seventh Street. S.W.
Washington, D.C. 20410

To Whom it may Concern:

Permission is requested to extend the term of the mortgage insured under FHA Case Number 123-456789-203 to January 1, 2030. The present maturity date is January 1, 2010. A copy of the proposed recasting agreement is attached.

The principal borrower recently suffered injuries not covered by insurance in a serious accident. He was hospitalized and without income for seven months and the mortgage is now in default, with the date of default at August 1, 1989. The total monthly payments, including current escrow requirements, are \$889.52, and the total of delinquent payments is \$6226.64. The unpaid principal balance is \$52,685.32. In addition, there are \$249.06 in accrued but unpaid late charges, unpaid escrows not representing advances total \$324.86, we have advanced a total of \$824.86 to cover escrow items, and there is a total of \$4285.38 in unpaid interest. After recasting the new principal balance will be \$58369.48. Of this amount, \$324.86 will be deposited in the borrower's escrow account.

The borrower has returned to work, but at a drastically reduced rate of pay. The attitude of the borrower and his family is excellent, and they are clearly willing to make the maximum payments consistent with their reduced income. Before the borrower's injury, no payment had been more than ten days late since the inception of the loan.

If the term of the mortgage is extended by ten years, the maximum permitted without your approval, the monthly payment, including current escrow requirements, would be reduced to \$869.28. This is still more than the family is capable of paying. If this request is approved, however, the

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monthly payments would be reduced to \$825.42. We have every reason to believe that the borrowers both could and would make those reduced payments.

Your prompt attention to this request will be appreciated.

Sincerely,

Signature and typed name and title
