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Two New Mortgagee Letters and Additional Time For Closing Loans Affected By Hurricane Sandy

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Additional Closing Time for Hurricane Sandy

Due to the devastation caused by Hurricane Sandy for homeowners and businesses, FHA is granting additional time for the closing of loans for properties located in Presidentially-Declared Major Disaster Areas affected by that storm.

In cases where there is no expectation of a material change in the loan application documentation, lenders closing on loans for properties located in Presidentially-Declared Major Disaster Areas affected by Hurricane Sandy will be granted an additional sixty days for all documents in the mortgage loan application at closing beyond the 120 days for completed construction or 180 days for new construction set out at HUD Handbook 4155.1 1.B.1.h.

This waiver applies to all case numbers assigned on or before October 29, 2012, with a settlement date on or after October 29, 2012, for properties located in Presidentially-Declared Major Disaster Areas affected by Hurricane Sandy.

Mortgagee Letter 2012-23

Published on: November 16, 2012

To: All FHA-Approved Mortgagees

Subject: Guidance for FHA-Approved Mortgagees Originating and Servicing Mortgages in Presidentially-Declared Major Disaster Areas

Purpose: This Mortgagee Letter ("ML") provides general guidance to FHA-approved mortgagees with loans in any Presidentially-Declared Major Disaster Areas ("Disaster Areas"). Further specific guidance for individual disasters may be communicated as necessary.

Click here to view the full Mortgagee Letter: <http://bit.ly/ML12-23>

Mortgagee Letter 2012-22

Published on: November 16, 2012

To: All Approved Mortgagees

Subject: Revisions to FHA's Loss Mitigation Home Retention Options

Purpose: This Mortgagee Letter includes revised requirements for FHA's Loss Mitigation Home Retention Options, in an effort to reduce the number of full claims against the FHA Mutual Mortgage Insurance Fund by assisting a greater number of qualified, distressed mortgagors in retaining their homes.

Effective Date: No later than 90 days after issuance of this Mortgagee Letter, mortgagees must begin to assess mortgagors in default under FHA's loss mitigation priority order and policies referenced herein.

Affected Policy This Mortgagee Letter amends the following:

- FHA's Home Affordable Modification Program's (FHA-HAMP) guidelines in Mortgagee Letter 2009-23;
- The definition of "Special Forbearance" in Mortgagee Letter 2002-17; and
- Loss Mitigation priority order guidelines in Mortgagee Letter 2000-05.

Click here to view the full Mortgagee Letter: <http://bit.ly/ML12-22>