



## NEWS AND UPDATES

**TO: All FHA-Approved HECM Mortgage Originators and Servicers  
All FHA-Approved HECM Housing Counselors**

### *What's New*

### **Mortgagee Optional Election Assignment for Home Equity Conversion Mortgages (HECMs)**

#### **Alternative path to claim payment for HECMs with FHA Case Numbers assigned prior to August 4, 2014 and an Eligible Non-Borrowing Spouse**

Today, the Federal Housing Administration (FHA) published Mortgagee Letter 2015-03, *Mortgagee Optional Election Assignment for HECMs with FHA Case Numbers Assigned Prior to August 4, 2014*. This Mortgagee Letter sets out an alternative path to claim payment, the Mortgagee Optional Election Assignment, that mortgagees may choose when the mortgagee can demonstrate it holds an eligible HECM with an Eligible Surviving Non-Borrowing Spouse and an FHA Case Number assigned **prior to August 4, 2014**.

The Mortgagee Optional Election Assignment allows mortgagees to modify their FHA contracts of mortgage insurance to permit assignment of an eligible HECM, despite the HECM being otherwise eligible to be called due and payable as a result of the death of the last surviving mortgagor (borrower). A HECM is eligible for the Mortgagee Optional Election Assignment provided all of the conditions and requirements established in Mortgagee Letter 2015-03 are met.

A mortgagee must make, and notify HUD of its election, to:

- Pursue the Mortgagee Optional Election Assignment, or
- Proceed under the original contract of insurance and enforce its private contractual rights in accordance with the terms of the note, security instrument, or HECM loan agreement.

The notification to HUD must take place within the later of 90 days of the publication of Mortgagee Letter 2015-03 or 30 days following the servicer receiving notice of the last surviving borrower's death, or in such additional time as may be authorized by HUD in writing, at its sole discretion.

In the coming days, FHA will be publishing a *Federal Register* notice soliciting comment on the policies contained in Mortgagee Letter 2015-03.

## Overview Conference Call for HECM Mortgages and Housing Counselors

FHA will host the following conference call briefing session that will provide an overview of the operational contents in Mortgagee Letter 2015-03.

- **Date:** February 5, 2015
- **Time:** 2:00-3:00 PM (Eastern)
- **Title:** HECM Mortgagee Optional Election Assignment
- **Dial-in Number:** (866) 216-6835
- **Participant Access Code:** 470584

Stakeholders are encouraged to submit operational questions in advance of the call to FHA's special e-mail box, [FHASFCall@hud.gov](mailto:FHASFCall@hud.gov), by 5:00 PM (Eastern), February 3, 2015. Please limit your submissions to two questions. This is an unattended e-mail box for collecting questions that may be addressed during this conference call. FHA is unable to respond in writing to individual questions or inquiries submitted to this e-mail box.

### Quick Links and Resources

- View [Mortgagee Letter 2015-03](#).
- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at [www.hud.gov/answers](http://www.hud.gov/answers).
  - E-mail the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov). Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
  - Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Information Relay Service at 1-800-877-8339.

### RESOURCE INFORMATION

<b>FHA INFO Archives:</b>	Visit the <a href="#">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.	
<b>Have FHA Questions?</b>	For FHA technical support, please search the <a href="#">FHA Frequently Asked Questions</a> site or contact the FHA Resource Center by email at: <a href="mailto:answers@hud.gov">answers@hud.gov</a> or by telephone toll free between 8:00 AM & 8:00 PM ET at: (800) CALLFHA or (800) 225-5342. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.	
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<b>Resource Links:</b>	<a href="#">Archived Webinars</a> <a href="#">Career Opportunities</a> <a href="#">Contracting Opportunities</a> <a href="#">Events &amp; Training</a>	<a href="#">Foreclosure Assistance</a> <a href="#">Grant Opportunities</a> <a href="#">HUD Homes Property Listings</a> <a href="#">HUD.gov</a>

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