

FHA INFO #15-14

February 12, 2015



NEWS AND UPDATES

TO: All FHA-Approved Mortgagees Originating and Servicing Home Equity Conversion Mortgages (HECMs)

In this Announcement:

- Delay in Effective Date for HECM Financial Assessment Requirements and Property Charge Funding Requirements
- Revised Fixed Rate and Adjustable Rate HECM Model Loan Documents Now Available
- Expiration of HECM Reasonable Diligence Timeframe Extensions

See below for details.

Delay in Effective Date for HECM Financial Assessment Requirements and Property Funding Requirements

Due to a delay in delivery of certain system enhancements required to support the policies published in Mortgagee Letters 2014-21 and 2014-22, in the coming weeks the Federal Housing Administration (FHA) will publish a Mortgagee Letter announcing a new effective date for the policies announced in those Mortgagee Letters.

The new effective date is expected to be within 30 to 60 days of the March 2, 2015 effective date announced in Mortgagee Letters 2014-21 and 2014-22.

Revised HECM Model Loan Documents Now Available

Today, the Federal Housing Administration (FHA) published revised fixed rate and adjustable rate Home Equity Conversion Mortgage (HECM) model loan documents that incorporate requirements from recently published Mortgagee Letters 2014-21 and 2015-02 pertaining to:

- The Life Expectancy Set-Aside;
- Revised Eligible and Ineligible Non-Borrowing Spouse certifications; and

- Reinstatement of the period of the deferral of the due and payable status for an Eligible Non-Borrowing Spouse.

The revised model loan documents are now available from FHA’s [Single Family Housing Model Documents](#) web page.

Mortgagees must revise their loan documents as necessary to ensure compliance with other federal, state, and local laws, and may do so without HUD approval. Mortgagees must ensure their loan documents include the revised Non-Borrowing Spouse requirements in Mortgagee Letter 2015-02 for all HECM case numbers issued on or after March 9, 2015. Regarding the Life Expectancy Set-Aside requirements, mortgagees must ensure their loan documents are revised by the new effective date, which will be provided in the new Mortgagee Letter referenced above.

Quick Links

- Access revised [HECM model loan documents](#).
- Review Mortgagee Letters [2014-21](#) and [2015-02](#).

Expiration of HECM Reasonable Diligence Timeframe Extensions

On June 25, 2014, the Federal Housing Administration (FHA) issued *Single Family Housing News* (FHA INFO) #14-34, providing HECM mortgagees with an indefinite extension of time in which to take first legal action to commence foreclosure and to comply with reasonable diligence timeframes. With the issuance of Mortgagee Letter 2015-03, *Mortgagee Optional Election Assignment for HECMs with FHA Case Numbers Assigned Prior to August 4, 2014*, no further extensions pursuant to FHA INFO #14-34 are permissible as of the Mortgagee Letter’s January 29, 2015 publication date.

As referenced in FHA INFO #14-34, the indefinite extension was to remain available for mortgagees until such time as FHA issued a Mortgagee Letter or other statement to formally address similarly situated Non-Borrowing Spouses. Today’s *Single Family Housing News* (FHA INFO #15-14), along with Mortgagee Letter 2015-03, serves as this statement.

Quick Links

- View [Mortgagee Letter 2015-03](#).
- Review [Single Family Housing News](#) (FHA INFO) #14-34.

Resources

- Contact the FHA Resource Center:
 - Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
 - E-mail the FHA Resource Center at 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	
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov

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