



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

April 27, 2007

**MORTGAGEE LETTER 2007-08**

**TO: ALL HUD-APPROVED MORTGAGEES  
ALL HUD-APPROVED HOUSING COUNSELING AGENCIES**

**SUBJECT: Home Equity Conversion Mortgage (HECM) Face-to-Face Interviews**

This Mortgagee Letter informs Federal Housing Administration (FHA) approved lenders and Department of Housing and Urban Development (HUD) approved housing counseling agencies that FHA will now allow prospective HECM borrowers the option to meet face-to-face with the lender and/or HECM counselor or to participate in loan origination and counseling activities by telephone. This new policy is effective immediately.

Prior to this change, HUD HECM loan origination procedures, as represented by Mortgagee Letters 00-10, 04-25 and 04-48, has been that prospective HECM borrowers must make every effort to meet face-to-face with either a housing counseling agency approved to provide HECM counseling or a mortgage lender approved to originate HECM loans. While FHA prefers that all prospective HECM borrowers participate in face-to-face interviews with a HECM lender and counselor, it has come to the attention of the Department that this procedure may create a hardship for some prospective HECM borrowers, particularly those living in rural areas or with limited mobility.

All HECM lenders and counselors should have the capacity to conduct face-to-face interviews with all prospective HECM borrowers and must routinely offer to conduct face to-face loan applications or counseling respectively. However, for those borrowers who choose to forego a face-to-face interview, the loan application, counseling or both, may be performed by telephone.

A prospective HECM borrower who decides to forego participation in a face-to-face interview will still be required to fulfill FHA's mandatory HECM counseling requirement by completing a telephone counseling session offered by a local agency approved by HUD to provide HECM counseling or by one of HUD's approved HECM counseling networks. Consumers can access these networks through the following toll-free numbers, which are also listed on HUD's website:

AARP – 1-800-209-8085

National Foundation for Credit Counseling (NFCC) – 1-866-698-6322

Money Management International (MMI) – 1-877-908-2227

Regardless of whether a counseling session is completed face-to-face or via telephone, a HECM counseling certificate must be signed by both the counselor and the prospective borrower and included in the associated lender's file.

If you have any questions regarding this Mortgage Letter, please call FHA's Resource Center at: 1-800-CALL-FHA (1-800-225-5342), and select "Option 2".

Sincerely,

Brian D. Montgomery  
Assistant Secretary for Housing-  
Federal Housing Commissioner

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