



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

ASSISTANT SECRETARY FOR HOUSING  
FEDERAL HOUSING COMMISSIONER

**Date: October 20, 2020**

**Mortgagee Letter 2020-34**

**To:** All FHA-Approved Mortgagees  
All Direct Endorsement Underwriters  
All Eligible Submission Sources for Condominium Project Approvals  
All FHA Roster Appraisers  
All FHA-Approved 203(k) Consultants  
All HUD-Approved Housing Counselors  
All HUD-Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** Update to the Date for Approving a COVID-19 Forbearance or COVID-19 Home Equity Conversion Mortgage (HECM) Extension

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**Purpose** The purpose of this Mortgagee Letter (ML) is to extend the date for approving the initial COVID-19 Forbearance or COVID-19 HECM Extension published in ML 2020-06.

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**Effective Date** This ML is effective immediately.

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**Public Feedback** HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov). HUD will consider the feedback in determining the need for future updates.

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**Affected Programs** This guidance applies to all FHA Title II Single Family mortgage programs.

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## Mortgagee Letter 2020-34, Continued

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<b>Affected Topics</b>	<p>This ML extends the date by which Mortgagees must approve the initial COVID-19 Forbearance or HECM Extension provided in ML 2020-06.</p> <p>This HECM Extension provided in this ML and ML 2020-06 will also extend deadlines for a HECM related to:</p> <ul style="list-style-type: none"><li>• Mortgagee Letter 2015-10, <i>Home Equity Conversion Mortgage (HECM) Due and Payable Policies</i></li><li>• Mortgagee Letter 2015-11, <i>Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges</i></li><li>• 24 C.F.R. §206.125, <i>Acquisition and Sale of Properties</i> and §206.205, <i>Property Charges</i></li></ul>
<b>Background</b>	<p>HUD is working to provide Mortgagees and Borrowers with Loss Mitigation Options due to the financial impacts of the COVID-19 pandemic. On April 1, 2020, HUD published ML 2020-06, which established the Forbearance for Borrowers Affected by the COVID-19 National Emergency (COVID-19 Forbearance), the COVID-19 Standalone Partial Claim, and an extension period for HECMs affected by COVID-19 (HECM Extension). On July 8, 2020, HUD published ML 2020-22, which established additional COVID-19 Loss Mitigation Options for Borrowers after the COVID-19 Forbearance period. Due to the continued COVID-19 pandemic and its impact on borrowers across the country, HUD recognizes the need to extend the deadline for approving a COVID-19 Forbearance or a HECM Extension beyond the October 30, 2020, date provided in ML 2020-06.</p> <p>Through this ML, HUD is allowing Mortgagees to approve Borrowers, impacted directly or indirectly by the COVID-19 pandemic, for an initial COVID-19 Forbearance or HECM Extension no later than December 31, 2020. The means of communication regarding a COVID-19 Forbearance and the terms of the COVID-19 Forbearance remain the same as established in MLs 2020-06 and 2020-22. The terms of a HECM Extension remain the same as established in ML 2020-06.</p>
<b>Summary of Changes</b>	<p>This ML updates ML 2020-06 by allowing Mortgagees to approve Borrowers to begin a COVID-19 Forbearance or HECM Extension Period no later than December 31, 2020.</p>
<b>Update to the Effective Date in ML 2020-06</b>	<p>Mortgagees may approve the initial COVID-19 Forward Forbearance or HECM Extension Period no later than December 31, 2020.</p>

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## Mortgagee Letter 2020-34, Continued

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### **Paperwork Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0569; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595 and 2502-0600. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

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### **Questions**

Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit [www.hud.gov/answers](http://www.hud.gov/answers).

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### **Signature**

Dana T. Wade  
Assistant Secretary for Housing –  
Federal Housing Commissioner