



OFFICE of  
**INSPECTOR GENERAL**  
UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

# HUD's Communication to Homeowners About COVID-19 Policies

**U.S. Department of Housing and Urban Development  
Office of Single Family Housing | 2023-NY-0001**

**January 30, 2023**

Date: January 30, 2023

To: Julie A. Shaffer  
Acting Deputy Assistant Secretary for Single Family Housing, HU

**//signed//**

From: Kilah S. White  
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Subject: Final Report – HUD Communicated Critical Information to Homeowners About COVID-19 Policies but Improvements Can Be Made

Attached are the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) results of our review to assess HUD's communication to homeowners with Federal Housing Administration-insured mortgages through its website, joint website, and other proactive methods about protections, repayment options, loss mitigation options, and responsibilities related to COVID-19.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act of 1978, as amended, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at <https://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call Kimberly S. Dahl, Audit Director, at (212) 264-4174.

# **Highlights**

## **HUD'S COMMUNICATION TO HOMEOWNERS ABOUT COVID-19 POLICIES | 2023-NY-0001**

### **What We Audited and Why**

We audited the U.S. Department of Housing and Urban Development's (HUD) efforts to proactively communicate information related to the coronavirus disease of 2019 (COVID-19) to homeowners with Federal Housing Administration (FHA)-insured mortgages. We initiated this work based on a U.S. Government Accountability Office report that identified helping borrowers understand the protections available to them as a key challenge and prior audit and evaluation work that found issues related to communication and COVID-19. Our audit objective was to assess HUD's communication to homeowners with FHA-insured mortgages through its website, joint website, and other proactive methods about protections, repayment options, loss mitigation options, and responsibilities related to COVID-19.

### **What We Found**

HUD proactively communicated critical information to homeowners during the COVID-19 pandemic. However, there are several areas in which HUD could improve its communication. For example, HUD's COVID-19 Resources for Homeowners webpage did not (1) clearly present the deadline for requesting forbearance, (2) detail loss mitigation options available after forbearance, and (3) include detailed information for homeowners with reverse mortgages. Additionally, letters mailed to homeowners may not have been timely for some and did not discuss loss mitigation. This condition occurred in part because HUD chose to direct certain information to lenders only and relied on them to communicate with borrowers, and because it did not have a strategy for sending letters. As a result, homeowners may not have been aware of available protections and loss mitigation options. If HUD addresses the issues identified, it could better serve homeowners through the end of the COVID-19 pandemic and during future disasters and national emergencies.

### **What We Recommend**

We recommend that HUD's Office of Single Family Housing update its COVID-19 Resources for Homeowners webpage to adequately cover key information related to forbearance for forward mortgages, extension periods for reverse mortgages, loss mitigation, and other assistance available. We also recommend that HUD develop a communication strategy detailing how and when it plans to use websites, letters, and other methods to proactively notify homeowners about relief programs, protections, and loss mitigation options during disasters and national emergencies.

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## Background and Objective

On March 11, 2020, the World Health Organization declared the coronavirus disease of 2019 (COVID-19) a global pandemic. On March 13, 2020, the COVID-19 pandemic was declared a national emergency in the United States. On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) into law. The CARES Act provided mortgage forbearance<sup>1</sup> and foreclosure protection for borrowers with federally backed mortgage loans.

The U.S. Department of Housing and Urban Development's (HUD) Office of Single Family Housing administers programs that insure mortgage lenders against losses from default and encourage lenders to provide mortgage financing to eligible borrowers. HUD does not make direct loans to borrowers. Rather, it insures loans through various Federal Housing Administration (FHA) single-family<sup>2</sup> forward mortgage and Home Equity Conversion Mortgage (HECM) reverse mortgage programs.<sup>3</sup> Under these programs, lenders agree to comply with FHA's requirements related to mortgage origination, servicing, and disposition. For example, lenders interact with borrowers to provide information and assistance when needed.

HUD made various protections and relief available to homeowners with FHA-insured mortgages, including COVID-19 forbearance for forward mortgages; COVID-19 HECM extensions for reverse mortgages, and foreclosure protection. Forbearance allows lenders to reduce or suspend payments when requested by homeowners without specific terms of repayment. An extension period allows homeowners to request that servicing lenders delay calling a loan due and payable when they are unable to comply with reverse mortgage conditions. Forbearance and extension periods delay the possibility of foreclosure<sup>4</sup> beyond the initial 60-day foreclosure moratorium in the CARES Act. Additionally, while borrowers are on a forbearance plan or in an extension period, lenders are also required to waive all late charges, fees, and penalties. Before forbearance or extension periods end, lenders must evaluate borrowers for loss mitigation options to assist with repayment of missed amounts, minimize economic impact, and avoid foreclosure. Appendixes C and D show the loss mitigation options available for homeowners with forward and reverse mortgages.

Throughout the pandemic, HUD issued mortgagee letters and guidance to lenders notifying them of the loss mitigations available, extending the deadline for approving forbearance and extension periods, and expanding the possible duration of relief. Appendix B details the deadlines and relief durations available

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<sup>1</sup> The CARES Act allowed borrowers to request forbearance of monthly mortgage payments for up to 180 days and add an additional 180 days. Mortgage servicers had to grant forbearance, and borrowers could shorten the forbearance period and resume payments. No documentation was required.

<sup>2</sup> Under its single-family mortgage programs, HUD provides insurance for mortgages secured by residential properties with one to four units.

<sup>3</sup> Forward mortgages allow applicants to borrow money to purchase or refinance a home. Reverse mortgages allow homeowners 62 or older to obtain income by accessing the equity in their homes. With reverse mortgages, homeowners receive money from the lender and are not required to repay the loan if they continue to meet loan conditions such as payment of required property charges.

<sup>4</sup> Foreclosure is when a servicer takes the property if a forward mortgage borrower fails to make mortgage payments, or a reverse mortgage borrower fails to meet the loan conditions.

throughout the COVID-19 pandemic and shows that certain borrowers can still enter into a COVID-19 forbearance or COVID-19 HECM extension through the end of the COVID-19 National Emergency.<sup>5</sup>

Although the CARES Act did not require HUD or servicers to proactively provide information about forbearance and foreclosure protection to homeowners, a June 2020 U.S. Government Accountability Office (GAO) report (GAO-20-625) stated that a key challenge will be helping borrowers understand whether the CARES Act's protections apply to them and what protections are available to them. GAO cautioned that individuals lacking internet access may not be exercising protections. In June 2020, HUD's Chief Financial Officer issued a document entitled HUD's Planned Use of CARES Act Funding, stating that "clear, consistent, and timely communication with public housing authorities (PHAs), homeless services providers, property owners, lenders, and grantees" is central to HUD's strategy.

Previous HUD Office of Inspector General (OIG) work has identified concerns with servicer communication about COVID-19 protections for homeowners. In April and September 2020, we found that incorrect information was communicated to borrowers on servicers' websites.<sup>6</sup> More recently,<sup>7</sup> we found that servicers' communication with borrowers did not always make them aware of their rights to a COVID-19 forbearance. Additionally, we previously identified aspects of HUD's communication to renters on its website and published guidance that could be strengthened.<sup>8</sup> For this review, we focused on HUD's efforts to proactively communicate information to homeowners during the pandemic to highlight the quality of HUD's communication and identify areas for improvement.

The objective of this audit was to assess HUD's communication to homeowners with FHA-insured mortgages through its website, joint website,<sup>9</sup> and other proactive methods about protections, repayment options, loss mitigation options, and responsibilities related to COVID-19.

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<sup>5</sup> President Biden continued the National Emergency beyond March 1, 2021, and March 1, 2022, and it has remained in effect since then.

<sup>6</sup> See <https://www.hudoig.gov/reports-publications/topic-brief/some-mortgage-loan-servicers-websites-offer-information-about> and <https://www.hudoig.gov/reports-publications/memorandum/some-mortgage-loan-servicers-websites-continue-offer-information>

<sup>7</sup> 2022-KC-0001, issued on December 15, 2021. See <https://www.hudoig.gov/reports-publications/report/fha-borrowers-did-not-always-properly-receive-covid-19-forbearances>

<sup>8</sup> 2021-NY-0801, issued on October 13, 2020. See <https://www.hudoig.gov/reports-publications/memorandum/opportunities-exist-improve-huds-communication-renters-about>

<sup>9</sup> To ensure that homeowners and renters have the most up-to-date and accurate housing assistance information during the COVID-19 National Emergency, the Consumer Financial Protection Bureau, Federal Housing Finance Agency, and HUD launched the new mortgage and housing assistance website, <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>.

# Results of Audit

## FINDING: HUD COMMUNICATED CRITICAL INFORMATION TO HOMEOWNERS, BUT IMPROVEMENTS CAN BE MADE

HUD proactively communicated critical information with homeowners during the COVID-19 pandemic. However, there are several areas in which HUD could improve its communication. For example, HUD's COVID-19 Resources for Homeowners webpage did not (1) clearly present the deadline for requesting forbearance, (2) detail loss mitigation options available after forbearance, (3) include detailed information for homeowners with reverse mortgages, (4) include information on other assistance, and (5) maintain a content date indicating when information was added or updated. Additionally, letters mailed to homeowners may not have been timely for some and did not discuss loss mitigation. This condition occurred in part because HUD chose to direct certain information to lenders only and relied on them to communicate with borrowers, and because it did not have a strategy for sending letters. As a result, homeowners may not have been aware of available protections and loss mitigation options. If HUD addresses the issues identified, it could better serve homeowners through the end of the COVID-19 pandemic and during future disasters and emergencies.

### HUD Proactively Communicated Information Using Several Methods

HUD proactively communicated critical information to homeowners during the COVID-19 pandemic. These efforts were important given the unprecedented nature and scope of the situation, and the number of borrowers impacted. From the beginning of the pandemic through the end of fiscal year 2022, more than 1.8 million borrowers received COVID-19 forbearance and more than 1 million of these borrowers entered into loss mitigation plans that would enable them to remain in the home or were in the process of doing so.<sup>10</sup> In addition to various requirements for lenders to provide information to borrowers, HUD used a variety of proactive methods to communicate more directly with homeowners. For example,

- HUD launched its COVID-19 Resources for Homeowners webpage<sup>11</sup> in March 2020. Over time, this webpage has included information about forbearance relief and eviction protections as well as links to relevant HUD media resources; vaccine and health information; various Federal, State, and local resources; information about COVID-19 scams; and how to report discrimination, complaints, fraud, waste, and abuse.
- HUD launched a joint website with the Consumer Financial Protection Bureau and Federal Housing Finance Agency in May 2020, which included information on requesting, extending, and exiting forbearance; avoiding foreclosure; and reverse mortgage protections for homeowners with COVID-19-related hardships.
- HUD launched social media campaigns about forbearance and other COVID-19 relief in March 2020.
- HUD mailed letters to homeowners with delinquent forward mortgages in June 2021 and April 2022, and to certain homeowners with reverse mortgages in April 2022 to let them know whom to contact to discuss relief options. See appendixes E, F, and G.

<sup>10</sup> <https://www.hud.gov/sites/dfiles/Housing/documents/2022FHAAnnualRptMMIFund.pdf>, see pages 16 and 19.

<sup>11</sup> <https://www.hud.gov/coronavirus/homeowners>

- HUD made relevant frequently asked questions available on its self-serve FHA Resource Center website<sup>12</sup> and relevant press releases<sup>13</sup> available on its main website.

## HUD Could Improve Its COVID-19 Resources for Homeowners Webpage

Although HUD's COVID-19 Resources for Homeowners webpage communicated critical information and made some improvements during our review, additional improvements should be made to better serve homeowners. The sections below detail areas identified for improvement.

### Forbearance Information for Forward Mortgages

The COVID-19 Resources for Homeowners webpage contained conflicting information about the deadline for homeowners with forward FHA mortgages to request COVID-19 forbearance. The webpage included a visual with key dates, which evolved throughout the pandemic as HUD extended the deadlines and forbearance period. The most recent change to the key dates occurred when HUD provided guidance to lenders for borrowers who requested an initial forbearance between October 1, 2021, and the end of the COVID-19 National Emergency. As shown in the figure below, although the last row properly relayed this information, the top continues to say that homeowners who have not yet requested COVID-19 forbearance must request this assistance by September 30, 2021. As of August 15, 2022, HUD had not corrected this issue, and the conflicting information remained on its webpage despite the National Emergency declaration's remaining in effect.

Deadlines for requesting COVID-19 forbearance				
If you...	Then you...			
Have not yet requested FHA COVID-19 forbearance	You must request this assistance from your mortgage servicer by Sept 30, 2021. The maximum amount of forbearance available to you is described in the chart below.			
Initial Forbearance Date	Initial Forbearance Period	Additional Forbearance Period	Forbearance Extensions	Maximum Forbearance Period
March 1, 2020 - June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months (in 3 month increments)	Up to 18 months
July 1, 2020 - Sept. 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
Oct. 1, 2020 - June 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
July 1, 2021 - Sept. 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
October 1, 2021 - the end of the COVID-19 National Emergency	Up to 6 months	Up to 6 months (if the initial forbearance will be exhausted and expires during the COVID-19 National Emergency)	0	Up to 12 months (if the Borrower is eligible for the additional COVID-19 Forbearance Period)

<sup>12</sup> <https://answers.hud.gov/FHA/s/>

<sup>13</sup> <https://www.hud.gov/press>

## **Loss Mitigation Information for Forward Mortgages**

HUD's COVID-19 Resources for Homeowners webpage did not contain information on all loss mitigation options for forward mortgages. The webpage informed homeowners that their servicer would check to see if they were eligible for a partial claim,<sup>14</sup> and beginning in July 2021, it explained that the servicer would determine whether they were eligible for one of FHA's COVID-19 loss mitigation tools to bring their mortgage current. However, the webpage did not name or provide details about the various loss mitigation options that could be available for homeowners with forward mortgages coming out of COVID-19 forbearance. These options include the COVID-19-specific home retention<sup>15</sup> and disposition<sup>16</sup> options shown in appendix C of this report. Although HUD created a webpage for homeowners with loss mitigation option information in February 2022, it was not updated to include information on the new 40-year loan modification option, and the COVID-19 Resources for Homeowners webpage did not mention this page or provide a link to it.

## **Extension Period and Loss Mitigation Information for Reverse Mortgages**

HUD's COVID-19 Resources for Homeowners webpage did not include information on protections and loss mitigation options available to homeowners with reverse mortgages. The webpage has a link to the Consumer Financial Protection Bureau's website for homeowners to find protections for reverse mortgage borrowers,<sup>17</sup> and that website explains the different types of reverse mortgages and protections. However, HUD's COVID-19 Resources for Homeowners webpage does not tell homeowners that they are eligible for a COVID-19 HECM extension period or explain the loss mitigation options available for homeowners with reverse mortgages coming out of an extension period. Although HUD had not established specific COVID-19 loss mitigation policies for reverse mortgages, it had issued temporary partial waivers to its standard loss mitigation for reverse mortgages, which allowed servicers to offer homeowners a recalculated repayment plan for some unpaid property charges, regardless of outstanding amount. Key information for homeowners with reverse mortgages can be found in appendixes B and D.

## **Homeowner Assistance Fund Information**

HUD's COVID-19 Resources for Homeowners webpage did not contain information about the U.S. Department of the Treasury's Homeowner Assistance Fund program, which was established under The American Rescue Plan Act of 2021 to provide financial assistance to eligible homeowners who have suffered financial hardships during the COVID-19 National Emergency. These funds are administered by States, territories, and tribes and may be used for mortgage payment assistance, mortgage reinstatement, utilities, insurance, and other housing-related costs. HUD issued guidance requiring lenders to inform borrowers, using any available method of communication, that they may apply for Treasury's Homeowner Assistance Fund if it is available in their jurisdiction. HUD told lenders that the

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<sup>14</sup> A partial claim takes homeowners' reduced or paused payments and secures them in a subordinate lien on the property. Homeowners must repay this subordinate lien when they sell their home or refinance their mortgage or their mortgage otherwise ends.

<sup>15</sup> Home retention options available after COVID-19 forbearance include COVID-19 Advance Loan Modification, COVID-19 Recovery Standalone Partial Claim, COVID-19 Recovery Modification (30-year and 40-year options), and COVID-19 Recovery Non-Occupant Loan Modification.

<sup>16</sup> Home disposition options available after COVID-19 Forbearance include COVID-19 Pre-foreclosure Sale and COVID-19 Deed-in-Lieu of Foreclosure.

<sup>17</sup> <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/protections-for-reverse-mortgage-borrowers/>

funds may be used to pay borrowers' FHA-insured mortgage or any partial claim mortgage. Although HUD created a webpage for homeowners with loss mitigation option information in February 2022, which includes information on the Homeowner Assistance Fund, the COVID-19 Resources for Homeowners webpage did not mention this page or provide a link to it.

### **Webpage Content Date**

HUD's COVID-19 Resources for Homeowners webpage did not always contain accurate information about the date on which it was last updated. HUD did not initially have a content date but added a placeholder at the bottom of the webpage as a result of this audit. Until April 2022, it listed a 2021 content date, although there had been several updates since then. HUD then updated the content date to February 16, 2022; however, it needs to ensure that the content date remains accurate going forward so that homeowners will know when information was last updated.

In June 2021, HUD's Office of Single Family Housing collaborated with other HUD components to conduct a major redesign of the COVID-19 Resources for Homeowners webpage as part of a larger effort to modernize agency websites and focus on customer experience. However, HUD continued to exclude some key information related to COVID-19 from the webpage. HUD explained that some information, such as loss mitigation options, was not provided on the webpage, because HUD directed the information to lenders, which it relied on to communicate to borrowers. In other instances, HUD chose to make information available for homeowners on other areas of its website but did not also include the information or provide a direct path to it on the COVID-19 Resources for Homeowners webpage.

As a result, homeowners may not have been able to find information about available protections and loss mitigation. HUD could improve its COVID-19 Resources for Homeowners webpage and other websites by ensuring that (1) key information is included, communicated clearly, and up to date; (2) information across its various websites is consistent and linked together in an intuitive, user-friendly way; and (3) accurate content dates showing when information was added or updated are maintained. If HUD addresses the issues identified with its COVID-19 Resources for Homeowners webpage, it may help homeowners keep their homes and prevent the FHA insurance fund from incurring excessive losses as forbearance and extension periods end. Further, if HUD develops a plan for how and when it will use its websites in the future to share information with homeowners about relief programs, protections, and loss mitigation options, it could improve customer experience and better protect the insurance fund during future disasters and national emergencies.

### **HUD Could Benefit from Formalizing a Strategy for Outreach to Homeowners**

HUD proactively sent letters to some homeowners eligible for forbearance protection and reverse mortgage extensions. Specifically,

- In June 2021, HUD sent a letter to 325,477 homeowners who were delinquent on their FHA forward mortgage but had not requested forbearance. The letter informed borrowers that they could contact their servicers or a HUD-approved housing counseling agency and let homeowners know that FHA's special COVID-19 mortgage payment forbearance is currently available to them. See appendix E.

- In April 2022, HUD sent an updated letter to 418,499 homeowners who were delinquent on their FHA forward mortgage. The letter informed borrowers that they could contact their servicers or a HUD-approved housing counseling agency to discuss options for bringing their mortgage current or other relief that may be available to them. Additionally, in the April 2022 letter, HUD mentioned that Federal, State, and local governments were implementing various mortgage relief options, including the Homeowner Assistance Fund. See appendix F.
- In April 2022, HUD sent a letter to borrowers for 18,926 reverse mortgages that had at least one living borrower and default reasons tied to unpaid property charges to let them know that they could reach out to a HUD-approved housing counseling agency to discuss relief options if they were having difficulty paying required property charges. This letter also notified homeowners that Federal, State, and local governments were implementing various mortgage relief options, such as the Homeowner Assistance Fund. See appendix G.

The three letters were available in English and Spanish, and the April 2022 letters can be found on HUD's Office of Housing Counseling website,<sup>18</sup> as shown in the image below.

#### **FHA Borrower's Letter**

Recently the Office of Housing Counseling sent out letters to homeowners who may have fallen behind on their mortgage. If you are having difficulty paying your mortgage, please look at the letter below that describes your mortgage type for information on how a housing counseling agency can assist you.

- [\*\*FHA insured mortgage homeowner's letter\*\*](#)
- [\*\*FHA insured reverse mortgage \(HECM\) borrower's letter\*\*](#)

Letters were provided in English and Spanish.

HUD's Office of Single Family Housing told us that there was no precedent for FHA sending information directly to homeowners because FHA does not have a direct, contractual relationship with individual borrowers. Rather, HUD's program is designed for lenders and servicers to interact directly with borrowers in accordance with FHA's requirements. FHA ultimately decided to take the unprecedented step of contacting borrowers directly to encourage them to make contact with their servicers in light of extraordinary circumstances created by the pandemic. To accomplish this, the Office of Single Family Housing provided information to FHA's Office of Housing Counseling so that the Office of Housing Counseling could send the letters to the homeowners mentioned above.<sup>19</sup>

We commend HUD for proactively contacting these homeowners, and we identified several ways in which HUD could improve its use of mailed communication to homeowners should it choose to do so in the future. First, we believe developing a strategy that considers when and how to contact borrowers directly would benefit HUD in making timely decisions on how to address extraordinary circumstances in the future. Here, FHA sent its first round of letters approximately 15 months into the pandemic, and sent

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<sup>18</sup> [https://www.hud.gov/program\\_offices/housing/sfh/hcc/hcc\\_home](https://www.hud.gov/program_offices/housing/sfh/hcc/hcc_home)

<sup>19</sup> The Office of Housing Counseling provides support and oversight to HUD-approved housing counseling agencies nationwide, and these agencies, in turn, provide tools and educational resources to consumers, prospective FHA and other borrowers, renters, and disaster victims so that they can make responsible choices to address their housing needs.

its second round of letters approximately 10 months later. HUD did not include those with reverse mortgages until the second round.

Developing a strategy would also assist HUD in determining what, if any, direct communication it should have with borrowers through the end of the COVID-19 pandemic. For example, borrowers that are currently in forbearance may need information about loss mitigation, which was not included in previous letters, and others may be eligible to enter COVID-19 forbearance for the first time. In the last quarter of fiscal year 2022, more than 93,000 borrowers requested COVID-19 forbearance for the first time,<sup>20</sup> and this relief remains available to borrowers through the end of the COVID-19 National Emergency. Letters could be particularly effective for those lacking internet access, who GAO cautioned may not be exercising protections.

Further, if HUD develops a plan for how and when it will use letters in the future to share information with homeowners about relief programs, protections, and loss mitigation options, it could improve customer experience and better protect the insurance fund during future disasters and national emergencies.

## Conclusion

HUD proactively communicated some critical information to homeowners with FHA-insured mortgages and made improvements during the review. However, the issues identified show that homeowners may not have been aware of available protections and loss mitigation options. This condition occurred in part because HUD chose to direct certain information to lenders only and relied on them to communicate with borrowers. Homeowners are still facing or recovering from pandemic-related financial difficulties and need information. If HUD addresses the issues identified, it may help homeowners keep their homes and prevent the FHA insurance fund from incurring excessive losses as forbearance and extension periods end. Additionally, having a detailed plan for how HUD will use websites, letters, and other methods to proactively provide information to homeowners during future disasters and national emergencies could further improve customer experience and protect the insurance fund from unnecessary loss.

## Recommendations

We recommend that the Deputy Assistant Secretary for Single Family Housing

- 1A. Update its COVID-19 Resources for Homeowners webpage to clearly communicate that homeowners who had not previously requested forbearance by September 30, 2021, are eligible to request forbearance from their servicer through the end of the COVID-19 National Emergency.
- 1B. Update its COVID-19 Resources for Homeowners webpage to include information on the various COVID-19 loss mitigation options servicers may offer homeowners with FHA-insured forward mortgages who are exiting COVID-19 forbearance.
- 1C. Update its COVID-19 Resources for Homeowners webpage to include details about the protections and loss mitigation options available for homeowners with FHA-insured reverse mortgages. This information could include (1) instructions for requesting an extension, (2) a

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<sup>20</sup> <https://www.hud.gov/sites/dfiles/Housing/documents/2022FHAAnnualRptMMIFund.pdf>, see pages 17 and 85.

statement notifying homeowners that they should not be charged late fees or penalties, (3) a chart showing the extension periods and related deadlines, and (4) information on the various loss mitigation options available for homeowners with FHA-insured reverse mortgages who are exiting a COVID-19 HECM extension.

- 1D. Update its COVID-19 Resources for Homeowners webpage to include relevant information on the U.S. Department of the Treasury's Homeowner Assistance Fund.
- 1E. Work with the Office of Public Affairs, Office of Housing Counseling, and other offices within HUD to develop a detailed communication strategy for how and when it plans to use websites, letters, and other methods to proactively notify homeowners about relief programs, protections, and loss mitigation options during disasters and national emergencies. The strategy could include processes to ensure that (1) key information is provided or made available in a timely manner and kept up-to-date, (2) information is communicated clearly and consistently across mediums, and is linked together when possible, and (3) letters are mailed to struggling homeowners when needed. It could also articulate the methods HUD will use to reach homeowners without internet access.

## Scope and Methodology

We conducted our audit work remotely between April 2021 and August 2022. Our initial audit covered the period March 13, 2020, through April 30, 2021. We extended it to August 15, 2022, to check for relevant updates on HUD's website through that date, and to review additional information, such as multiple extensions to the deadlines and key dates related to forbearance protections; updated loss mitigation guidance issued to lenders, including the addition of the 40-year loan modification; some additional social media posts; and letters mailed to borrowers in June 2021 and April 2022. To address HUD's written comments to our audit report, we also reviewed the Fiscal Year 2022 Annual Report to Congress Regarding the Financial Status of the Federal Housing Administration Mutual Mortgage Insurance Fund, which included COVID-19 forbearance and loss mitigation data through September 30, 2022, and was issued November 15, 2022.

To achieve our objective, we reviewed applicable laws, regulations, mortgagee letters,<sup>21</sup> temporary waivers, Federal Register published on June 30, 2021, HUD Handbook 4000.1, GAO reports, OIG reports, relevant congressional letters about COVID-19 policies and public outreach, and press releases. We also reviewed HUD's Fiscal Year 2021 Annual Performance Plan and Fiscal Year 2019 Annual Performance Report, which provides detailed performance-related information. We reviewed HUD's High Impact Service Provider action plans for 2019 and 2020, which is an annual customer experience Action Plan to improve customer experiences. We also reviewed HUD's Annual Management Report for fiscal year ending September 30, 2020, which provides the Federal Housing Administration's (FHA) financial and summary performance information. We reviewed various proactive communication provided by HUD for homeowners, such as its COVID-19 Resources for Homeowners webpage, the joint website, letters it mailed to homeowners, and social media campaign posts. We also reviewed an Office of Single Family Housing natural disaster brochure that HUD provided to its disaster staff, its FHA Resource Center, and housing counseling agencies.

We interviewed Office of Single Family Housing staff from the Program Support Division, Program Development; Asset Management to obtain an understanding of the information on the COVID-19 Resources for Homeowners webpage and HUD's website related to COVID-19 protections and loss mitigation policies and procedures for homeowners with forward and reverse mortgages. We met with the Director, Deputy Director, and supervisory housing program specialists from Servicing & Loss Mitigation, National Servicing Center, and the Acting Director and Deputy Director of Asset Management for the Office of Single Family Housing to obtain an understanding of the COVID-19 loss mitigation options available to homeowners with forward and reverse mortgages. We met with the Director of the Quality Assurance Division to obtain an overview of HUD's oversight of lenders related to COVID-19 loss mitigation policies. We interviewed the supervisory management analyst from the Office of Field Policy Management to discuss the customer experience, which is about putting users at the center of agency work to ensure that the right problems are solved. We interviewed the Deputy Assistant Secretary and senior communication advisor from the Office of Housing to discuss the FHA.gov and joint websites. We interviewed the supervisory web management from the Office of Public Affairs to discuss the content and updates on the hud.gov website and the COVID-19 Resources for Homeowners webpage. We met with the Deputy Assistant Secretary, Director of Office of Outreach and Capacity Building, and policy advisor

<sup>21</sup> Mortgagee Letters 2015-11, 2016-07, 2020-04, 2020-06, 2020-13, 2020-19, 2020-22, 2020-27, 2020-34, 2020-43, 2020-44, 2021-03, 2021-04, 2021-05, 2021-15, 2021-18, 2021-19, 2021-24, and 2022-07.

from the Office of Housing Counseling to gain an understanding of the letter mailed to homeowners with delinquent forward mortgages in June 2021 and to discuss other outreach campaigns. We met with the Director of the Communication and Marketing Division for the Office of Housing Operations; the Associate General Deputy Assistant Secretary for Housing; the Deputy Assistant Secretary for Operations, Office of Housing-Federal Housing Administration; the Acting Associate Deputy Assistant Secretary for Operations, Office of Housing; and the senior communications advisor for the Office of Housing to determine whether HUD had recent marketing and media campaigns related to COVID-19 forbearance and loss mitigation options for homeowners.

While the CARES Act did not provide a specific standard for communication to homeowners, we reviewed and navigated HUD's various communications to homeowners about COVID-19 protections, repayment options, loss mitigation options, and responsibilities to highlight the quality of HUD's communication and identify areas for improvement.

We determined that the internal control component of information and communication was significant to our audit objective, including underlying principles for internal and external communication, such as communication within HUD and HUD's communication with homeowners and the public. We assessed HUD's controls related to information and communication. Our assessment was not designed to provide assurance regarding the effectiveness of HUD's internal control system, and we do not express an opinion on the effectiveness of HUD's internal control system.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

# Appendices

## APPENDIX A - AUDITEE COMMENTS AND OIG'S EVALUATION

### Ref to OIG Evaluation – Auditee Comments

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

OFFICE OF HOUSING

December 28, 2022

MEMORANDUM

TO: Kilah S. White, Assistant Inspector General for Audit, GA  
**JULIENNE JOSEPH**  
Digitally signed by JULIENNE JOSEPH  
Date: 2022.12.28 16:19:17 -05'00'

FROM: Julienne Y. Joseph, Deputy Assistant Secretary for Single Family Housing, HU

SUBJECT: Discussion and Comments on Draft Audit: HUD's Communication to Homeowners About COVID-19 Policies  
*OIG Audit Report Number: 2023-NY-000X  
Issue Date: December 14, 2022*

The Office of Inspector General (OIG) has audited the Office of Single Family Housing's efforts to proactively communicate information related to COVID-19 to homeowners with Federal Housing Administration (FHA)-insured mortgages and has provided a draft audit report to the Office of Single Family Housing (Single Family) for comment.

Single Family appreciates the OIG's perspective regarding FHA's communication to homeowners. Below, we provide responses to the OIG's findings and to the six specific recommendations made in the report. While we do not specifically disagree with any recommendations, we believe the draft report does not fully reflect the internal and external relationships through which FHA's Single Family programs operate. Our comments below develop those points further.

**Response to OIG Findings and Recommendations**

**1. Findings**

While the facts presented in the draft audit report appear largely accurate, the report does not adequately contextualize the information presented, and such context has significant implications for future improvement. There are two key areas of discussion that we believe would provide appropriate context. First, the draft report should more fully describe the scope of the problem that Single Family was addressing and the total number of homeowners helped during the COVID-19 pandemic. FHA successfully provided assistance related to COVID-19 to more than 2 million homeowners during a period of only two years. What's more, from delinquency rates at the height of the pandemic that neared 12 percent, FHA's delinquency rate is now under 5 percent, which is similar to rates seen prior to the pandemic. As part of that effort, approximately a half million borrowers in FY2022 alone received loss mitigation assistance – a record level.

[www.hud.gov](http://www.hud.gov)      [espanol.hud.gov](http://espanol.hud.gov)

 **Comment 1 >**

## Ref to OIG Evaluation – Auditee Comments

### Comment 2 >

Second, the draft audit report should review how FHA's mortgage insurance operates and the ways in which its policies and loss mitigation options are typically implemented in the field. Some background that may be helpful: FHA does not make direct mortgages to borrowers. Rather, FHA provides mortgage insurance to lenders who originate mortgages that meet FHA's requirements. The purpose of this mortgage insurance program is to encourage lenders to lend to borrowers who are not adequately served by the conventional mortgage market by reimbursing lenders for losses if a borrower defaults on their mortgage. The mortgage insurance contract is between FHA and the lender (mortgagee), and if the borrower defaults, the lender makes a claim to FHA and FHA pays the lender directly. In exchange for receiving this backstop, the lender agrees to comply with FHA's requirements related to mortgage origination, servicing, and disposition. Policies and other requirements are made available to lenders through regulations, Mortgage Letters, and the FHA Single Family Housing Policy Handbook 4000.1, which is a comprehensive reference tool for participants in FHA mortgages.

When FHA rolled out new loss mitigation policies in response to COVID-19, its intention was to implement these policies through normal processes whereby FHA lenders and servicers would act as the delivery mechanisms for information and assistance to borrowers with FHA-insured mortgages. In most cases, this process worked extremely well. Servicers employed proactive approaches to connect with distressed borrowers that were successful in acquainting borrowers with available loss mitigation options. Because the CARES Act forbearances did not require documentation, it was easy for borrowers to quickly receive assistance in the form of forbearance.

However, because the pandemic struck the country so quickly and forcefully, FHA began to put out new loss mitigation options and policies at an unprecedented pace, and mortgage servicers had to contend with an enormous amount of change while they were at the same time dealing with the effects of the pandemic themselves, such as moving to an all-remote environment. When the trajectory of the pandemic shifted and borrowers began moving from the temporary solution offered by forbearance to long-term resolution through more permanent loss mitigation options, it became apparent that achieving successful outcomes for the magnitude of delinquent borrowers in FHA's portfolio would require additional measures.

Single Family only decided to take the unprecedented step of contacting borrowers directly to encourage them to get in touch with their mortgage servicers (FHA cannot itself provide loss mitigation solutions to borrowers) when it became clear that the need was so extraordinary that it required extraordinary measures. Communicating directly with borrowers had never been contemplated by FHA before. Resources had not been budgeted, and there was no reason to know if this outreach would be effective. For these reasons, Single Family chose to target its outreach to those most obviously in need of assistance, those borrowers who were seriously delinquent on their loans (sending letters through traditional mail is very expensive and resource-intensive, so attempting to reach all 8 million borrowers with FHA-insured mortgages was simply not feasible and would have been wasteful).

Similarly, FHA had never before relied so heavily on the HUD website to communicate to borrowers. Typically, most borrowers receive information about their loss mitigation options via direct communication from or the websites of their mortgage servicers. However, despite a lack of

### Comment 3 >

### Comment 4 >

## Ref to OIG Evaluation - Auditee Comments

 **Comment 5 >**

resources and experience in doing so, FHA endeavored to provide information and resources directly to borrowers due to the unprecedented nature and scope of the emergency.

### **2. Recommendations**

*Recommendations 1A- 1D:* Single Family agrees with these recommendations and endorses the critical importance of frequently updating our COVID-19 Resources for Homeowners information and facilitating greater linkages among disparate information on our website. Please note that FHA's budget and operational infrastructure do not currently support a heavy focus on borrower-facing initiatives; rather, we normally communicate with and through participating mortgage lenders and servicers, who by the terms of their contract with us provide direct assistance to borrowers. Upgrading borrower-facing communications may require additional staffing and resources.

*Recommendation 1E:* Single Family has no current plan to communicate directly with borrowers again regarding COVID loss mitigation options. We will consider whether such communication is necessary based on guidelines developed through the implementation of Recommendation 1F. OIG might consider combining Recommendations 1E and 1F to support a comprehensive approach.

*Recommendation 1F:* Single Family agrees with this recommendation and will plan to develop a clear communications strategy in cooperation with the Office of the Secretary, the Office of Public Affairs, the Office of the General Counsel, and any other relevant parties. This strategy will address web resources and public awareness campaigns as well as guidelines for when direct communication with borrowers is warranted and appropriate.

 **Comment 6 >**

 **Comment 7 >**

## OIG Evaluation of Auditee Comments

- Comment 1 HUD requested that the report more fully describe the scope of the problem it was facing and the number of homeowners helped during the COVID-19 pandemic. We acknowledge that HUD was addressing an unprecedented emergency and added language on page 7 to highlight the importance of its efforts given the unprecedented nature and scope of the situation and to acknowledge the number of homeowners assisted as of the end of fiscal year 2022.
- Comment 2 HUD requested that the report discuss how FHA's mortgage insurance operates and the ways in which its policies and loss mitigation options are typically implemented in the field. Although the draft report contained some details on how FHA's mortgage insurance operates, we made updates on pages 5, 7, and 11 to address HUD's comments. On pages 5 and 11, we added information to acknowledge that HUD does not make direct loans to borrowers and clarify that it does not have a direct, contractual relationship with individual borrowers. Further, on pages 5, 7, and 11, we added language acknowledging that lenders normally interact with borrowers to provide information and assistance when needed.
- Comment 3 We acknowledge and commend HUD for contacting borrowers directly through letters. As mentioned on page 11 of the finding, we understand that there was no precedent for sending information directly to homeowners. We updated this language to further acknowledge that HUD decided to take this unprecedented step to encourage borrowers to make contact with their servicers in light of the extraordinary circumstances created by the pandemic.
- Comment 4 We acknowledge that HUD had never relied so heavily on its website to communicate to borrowers, and that it attempted to provide information and resources directly to borrowers due to the emergency. On page 7 of the report, above where we explain that HUD launched the COVID-19 Resources for Homeowners webpage, we added language emphasizing the importance of HUD's efforts given the unprecedented nature and scope of the situation. Also, on page 10, we discuss the June 2021 redesign of that webpage, which was part of a larger effort to modernize agency websites and focus on customer experience.
- Comment 5 We acknowledge that HUD agrees with Recommendations 1A through 1D and endorses the critical importance of frequently updating the COVID-19 Resources for Homeowners website. We look forward to working with HUD through the audit resolution process to ensure that the recommendations are fully addressed.
- Comment 6 HUD indicated that it has no current plans to communicate directly with borrowers again regarding COVID loss mitigation options and agreed to consider whether such communication is necessary based on guidelines developed through the implementation of Recommendation 1F. HUD also suggested that OIG consider combining Recommendations 1E and 1F to support a comprehensive strategy. In response to HUD's comments, we

combined the two draft recommendations, now referenced as Recommendation 1E in the final report.

Comment 7 We acknowledge that HUD agrees with Recommendation 1F, which is now referenced as Recommendation 1E in the final report, and plans to develop a clear communication strategy that will address web resources and public awareness campaigns as well as guidelines for when direct communication with borrowers is warranted and appropriate. We look forward to working with HUD through the audit resolution process to ensure the recommendation is fully addressed.

## APPENDIX B - KEY DATES FOR FORBEARANCE AND EXTENSION PERIODS<sup>22</sup>

### Forbearance key dates for forward mortgages

Initial forbearance date	Initial forbearance period	Additional forbearance period	Forbearance Extensions	Maximum forbearance period <sup>23</sup>
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months	Up to 18 months
July 1, 2020 – September 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
October 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	n/a	Up to 12 months
July 1, 2021 – September 30, 2021	Up to 6 months	Up to 6 months	n/a	Up to 12 months
October 1, 2021 – end of the COVID-19 National Emergency	Up to 6 months	Up to 6 months <sup>24</sup>	n/a	Up to 12 months

### Extension period key dates for reverse mortgages

Initial extension start date	Initial extension period	Additional extension period	Additional extensions	Maximum extension period <sup>25</sup>
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months	Up to 18 months
July 1, 2020 – September 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
October 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	n/a	Up to 12 months
July 1, 2021 – September 30, 2021	Up to 6 months	Up to 6 months	n/a	Up to 6 months
October 1, 2021 – end of the COVID-19 National Emergency	Up to 6 months	Up to 6 months <sup>26</sup>	n/a	Up to 12 months

<sup>22</sup> From Mortgagee Letter 2021-24.

<sup>23</sup> The period of COVID-19 forbearance may not extend beyond 6 months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later.

<sup>24</sup> Additional period is only applicable if the initial forbearance period will be used and expired during the COVID-19 National Emergency.

<sup>25</sup> The period of COVID-19 extension may not extend beyond 6 months after the end of the COVID-19 National Emergency or September 30, 2022, whichever is later.

<sup>26</sup> Additional period is applicable only if the initial extension period will be used and expired during the COVID-19 National Emergency.

## APPENDIX C - LOSS MITIGATION OPTIONS FOR FORWARD MORTGAGES<sup>27</sup>

Option	What is it?	Key information for borrowers
<b>COVID-19 recovery home retention options</b>		
COVID-19 advance loan modification (prewaterfall step <sup>28</sup> )	This is when the lender modifies the rate and term of the loan to reduce the monthly payment.	<ul style="list-style-type: none"> <li>Used 30 days before end of forbearance period, or if 90 or more days delinquent and not on a COVID-19 forbearance.</li> <li>Eligible borrowers will be mailed documents that explain the modified loan payment amount and next payment date.</li> <li>Do not have to accept the loan terms.</li> <li>Must sign and return documents within 30 days to accept loan terms.</li> <li>The property can be owner occupied or non-owner occupied.</li> <li>Fully reinstates the loan.</li> <li>All late charges and penalties are waived except those added before March 1, 2020.</li> </ul>
COVID-19 recovery stand-alone partial claim <sup>29</sup>	This is an interest-free and no-fee loan from HUD that takes reduced or paused payments and puts them into a second mortgage on the property.	<ul style="list-style-type: none"> <li>Used when borrower indicates that they can resume making on-time mortgage payments.</li> <li>Must repay this second mortgage when the home is sold or refinanced or the mortgage otherwise ends.</li> <li>The property must be owner-occupied.</li> <li>Fully reinstates the loan.</li> <li>All late charges and penalties are waived except those added before March 1, 2020.</li> </ul>
COVID-19 recovery modification <sup>30</sup>	This is when the lender modifies the rate and term of the loan to reduce the monthly payment. It must include a partial claim if partial claim funds are available.	<ul style="list-style-type: none"> <li>Used when the borrower indicates that they can make a modified mortgage payment.</li> <li>No income documentation is required.</li> <li>The property must be owner-occupied.</li> <li>Fully reinstates the loan.</li> <li>The modified loan is a fixed rate loan.</li> <li>The modified loan term is 360 months.</li> <li>All late charges and penalties are waived except those added before March 1, 2020.</li> <li>May receive more than one COVID-19 recovery modification.</li> </ul>
COVID-19 recovery modification - 40-year mortgage modification <sup>31</sup>	This is when the lender modifies the rate and term of the loan to reduce the monthly payment.	<ul style="list-style-type: none"> <li>Must include a partial claim.</li> <li>Cannot make mortgage payments with a 30-year loan modification.</li> <li>Mortgages funded with mortgage revenue bonds cannot exceed 30 years.</li> </ul>

<sup>27</sup> From Mortgagee Letters 2021-18 and 2022-07.

<sup>28</sup> The prewaterfall step happens before the loss mitigation options in the waterfall.

<sup>29</sup> This option replaces the COVID-19 stand-alone partial claim, used from April 1, 2020, to July 23, 2021.

<sup>30</sup> This option replaces the COVID-19 owner-occupant loan modification, COVID-19 combination partial claim and loan modification, and the COVID-19 FHA-HAMP Combination Loan HAMP Modification and Partial claim with Reduced Documentation, used from July 8, 2020, to July 23, 2021.

<sup>31</sup> From Mortgagee Letter 2022-07.

Option	What is it?	Key information for borrowers
COVID-19 recovery nonoccupant loan modification <sup>32</sup>	This is when the lender modifies the rate and term of the loan to reduce the monthly payment.	<ul style="list-style-type: none"> <li>Used when the borrower indicates they can pay the modified mortgage payment.</li> <li>The property is not owner occupied. It can be rental property, a secondary home, or a vacation home.</li> <li>All late charges, fees, and penalties are waived except those added before March 1, 2020.</li> <li>Fully reinstates the loan.</li> <li>The modified loan is a fixed-rate loan.</li> <li>The modified loan term is 360 months, but it may be less if borrower requested.</li> <li>The mortgage payment may increase.</li> <li>If the borrower redefaults due to COVID-19, they may receive more than one COVID-19 recovery nonoccupant loan modification.</li> </ul>
<b>COVID-19 home disposition options</b>		
COVID-19 preforeclosure sale	This is when a borrower sells home for less than what is owed and the funds are used to pay off the loan.	<ul style="list-style-type: none"> <li>Used when the borrower shows a financial hardship due to COVID-19, affecting ability to pay the mortgage.</li> <li>The borrower does not qualify for any COVID-19 recovery home retention option.</li> <li>The property is not condemned.</li> <li>If borrower's situation improves and wants to keep the home, the borrower must contact the lender to be reviewed for COVID-19 home retention options.</li> </ul>
COVID-19 deed-in-lieu of foreclosure	This is when a borrower willingly turns home over to HUD to satisfy the amount owed on the mortgage.	<ul style="list-style-type: none"> <li>Used when the borrower shows a financial hardship due to COVID-19, affecting ability to pay the mortgage.</li> <li>The borrower does not qualify for any COVID-19 recovery home retention option.</li> <li>The property is not condemned.</li> <li>The borrower is unable to complete a COVID-19 preforeclosure sale.</li> <li>The borrower is released from all obligations under the loan.</li> </ul>

<sup>32</sup> This option replaces the COVID-19 nonoccupant loan modification, used from July 8, 2020, to July 23, 2021.

## APPENDIX D - LOSS MITIGATION OPTIONS FOR REVERSE MORTGAGES<sup>33</sup>

Option	What is it?	Key information for borrowers
Loss mitigation options for borrowers with unpaid property charges		
Refinance	This is when a borrower's reverse loan is replaced with a new reverse loan.	<ul style="list-style-type: none"> <li>Must meet all current origination requirements.</li> <li>The loan is not in a deferral period.<sup>34</sup></li> </ul>
Information on local assistance programs	This is when the lender gives information on local assistance programs.	<ul style="list-style-type: none"> <li>No cost to the borrower.</li> <li>The loan is not in a deferral period.</li> </ul>
If a borrower is not eligible for the above loss mitigation options or a borrower refuses the option, the lender may offer the following:		
Repayment plan	This is when the lender pays certain unpaid property charges for the borrower and the borrower agrees to repay the lender monthly.	<ul style="list-style-type: none"> <li>The loan is not in a deferral period.</li> <li>There are unpaid property charges.</li> <li>The borrower must be current on homeowners association fees if applicable.</li> <li>There is no limit on the amount of unpaid property charges.<sup>35</sup></li> <li>The borrower provides financial information showing that he or she can repay.</li> </ul>

<sup>33</sup> From Mortgagee Letter 2015-11 and Temporary Partial Waiver related to Mortgagee Letter 2015-11.

<sup>34</sup> A deferral period is a period after the death of the last borrower with the due and payable status delayed for an eligible nonborrowing spouse. The nonborrowing spouse must meet certain attributes and FHA requirements.

<sup>35</sup> A temporary partial waiver lets lenders offer repayment plans to borrowers regardless of amount and lack of borrower success in paying under previous repayment plans.

## APPENDIX E - JUNE 2021 LETTER MAILED TO CERTAIN HOMEOWNERS WITH FORWARD MORTGAGES



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



You are receiving this flyer because your mortgage is a Federal Housing Administration (FHA) insured mortgage. If you are current on your mortgage payments or are already on a mortgage payment forbearance, please disregard this letter.

We understand that you may be struggling and unable to make your mortgage payments due to the COVID-19 pandemic. If you are having difficulty paying your mortgage due to the pandemic, we urge you to act now.

**FHA's special COVID-19 mortgage payment forbearance is currently available to you.**

There are two ways to get more information on the special COVID-19 mortgage payment forbearance:

<b>First,</b> contact your mortgage servicer, the entity to which you make your mortgage payments.	If you are unable to contact your mortgage servicer right now, get help from a HUD-approved Housing Counseling Agency.
<ul style="list-style-type: none"><li>Call, email or visit the website of your mortgage servicer using the contact information on your monthly mortgage statement.</li><li>State that you have a financial hardship due to COVID-19 and request a COVID-19 forbearance. A COVID-19 forbearance allows you to reduce or suspend your mortgage payments for a period of time.</li></ul>	<ul style="list-style-type: none"><li>Contact a HUD-approved housing counseling agency in your local area. To find a HUD-approved agency, call (800) 569-4287, or use the online search at <a href="http://www.hud.gov/housingcounseling">www.hud.gov/housingcounseling</a></li><li>Explain your situation. Housing counselors are trained to assess your financial situation and explain the options available to you.</li><li>A HUD certified housing counselor may be able to help you work with your mortgage servicer to obtain a COVID-19 forbearance.</li></ul>

You are not alone during these difficult times. The COVID-19 mortgage payment forbearance is available now so please seek assistance to obtain this option.

Sincerely,

HUD Office of Housing Counseling

Beware of scams: You can view a copy of this letter on the U.S. Department of Housing and Urban Development's web site at: [www.hud.gov/housingcounseling](http://www.hud.gov/housingcounseling). Homeowners and renters can visit consumerfinance.gov/housing for up-to-date information on their relief options, protections, and key deadlines.

*Para español, ver el reverso.*



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



Usted está recibiendo este folleto porque su hipoteca es una hipoteca asegurada por la Administración Federal de vivienda (FHA, por sus siglas en inglés). Si usted está al día en los pagos de su hipoteca o ya está en una indulgencia de pago de la hipoteca, por favor haga caso omiso de esta carta.

Entendemos que quizás esté batallando y no pueda realizar los pagos de su hipoteca debido a la pandemia de COVID-19. Si tiene dificultades para pagar su hipoteca debido a la pandemia, lo instamos a que actúe de inmediato.

**La indulgencia especial de morosidad de la FHA para el pago de la hipoteca por el COVID-19 está actualmente disponible para usted.**

**Hay dos formas de obtener más información sobre la indulgencia especial de morosidad para el pago de la hipoteca por el COVID-19:**

<b>Primero</b> , acuda a su agente hipotecario, la entidad que recibe sus pagos de hipoteca.	Si no encuentra a su agente hipotecario por el momento, pida ayuda a un organismo de asesoría de vivienda aprobado por el Departamento de Vivienda y Desarrollo Urbano (HUD, por sus siglas en inglés).
<ul style="list-style-type: none"><li>• Llame, escriba o visite el portal de internet de su agente hipotecario utilizando los datos de contacto que aparecen en la letra mensual de su hipoteca.</li><li>• Indique que atraviesa por dificultades económicas debido a la pandemia y solicite una indulgencia de morosidad por COVID-19. Una indulgencia de morosidad por COVID-19 le permite reducir o suspender los pagos de su hipoteca por un tiempo determinado.</li></ul>	<ul style="list-style-type: none"><li>• Acuda a un organismo de asesoría de vivienda aprobado por el HUD de su localidad. Para encontrar un organismo aprobado por el HUD, llame al (800) 569-4287 o use la herramienta de búsqueda en línea que está disponible en: <a href="http://www.hud.gov/housingcounseling">www.hud.gov/housingcounseling</a>.</li><li>• Explique su situación. Los asesores de vivienda están capacitados para evaluar su situación financiera y explicarle las opciones que tiene disponibles.</li><li>• Un asesor de vivienda autorizado por el HUD puede ayudarlo a colaborar con su agente hipotecario en la obtención de una indulgencia de morosidad por COVID-19.</li></ul>

Usted no está solo durante estos tiempos difíciles. La indulgencia de morosidad para el pago de la hipoteca por el COVID-19 ya está disponible, así que procure ayuda para acceder a esta opción.

Atentamente:  
Oficina de Asesoría de Vivienda (OHC, por sus siglas en inglés) del HUD

Cuidado con las estafas: Usted puede consultar una copia de esta carta en el sitio del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos, en: [www.hud.gov/housingcounseling](http://www.hud.gov/housingcounseling). Los propietarios de vivienda y los inquilinos pueden visitar consumerfinance.gov/housing para obtener información actualizada sobre sus opciones de alivio, las protecciones que los amparan y las fechas límite clave.

*See back for English*

## APPENDIX F - APRIL 2022 LETTER MAILED TO CERTAIN HOMEOWNERS WITH FORWARD MORTGAGES



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



[Date]

[First Name] [MI] [Last Name]  
[Street Address 1] [Street Address 2]  
[City], [State] [Zip]

Dear [First Name] [Last Name]:

You are receiving this letter because your mortgage is federally insured and we have reason to believe that you may need assistance with your mortgage. If you are current on your mortgage payments, on a mortgage payment forbearance, or working with your mortgage servicer, please disregard this letter.

We understand that you may be struggling and unable to make your mortgage payments. If you are having difficulty paying your mortgage, we urge you to act now. Contact your mortgage servicer or a HUD-approved Housing counseling agency to discuss your options for bringing your mortgage current or other relief that may be available to you. FHA requires your mortgage servicer to review your situation, determine which assistance option you are eligible for, and then help you to complete the option.

There are two ways to get this information:

1. **Contact your mortgage servicer**, the entity to which you make your monthly mortgage payments. If you are unsure who your mortgage servicer is, check your monthly mortgage statement or other communications from your mortgage servicer for their contact information. You may also visit their website. If you are having trouble contacting your servicer or if your servicer is not offering information on ways to reshape your mortgage, we encourage you to consider this second option.
2. **Get help from a HUD-approved Housing Counseling Agency**. To find a HUD-approved housing counseling agency, call (800) 569-4287, or use the online search at [hud.gov/housingcounseling](https://hud.gov/housingcounseling). Housing counselors are trained to assess your financial situation and explain the options available to you. A HUD-certified housing counselor may be able to help you work with your mortgage servicer.

In addition, Federal, state, and local governments are implementing various mortgage relief options. For example, the Homeowner Assistance Fund (HAF) is a federal program to help households who have fallen behind on their mortgages or other housing-related expenses due to COVID-19. For more information about the HAF program in your state visit <https://www.ncsha.org/homeowner-assistance-fund/>.

Sincerely,

HUD Office of Housing Counseling

Beware of scams: You can view a copy of this letter on the U.S. Department of Housing and Urban Development's web site at: [hud.gov/housingcounseling](https://hud.gov/housingcounseling).

*Para español, ver el reverso.*



DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO DE LOS EE. UU.  
WASHINGTON, DC



[Fecha]

[Nombre] [Iniciales de su segundo nombre] [Apellido]  
[Dirección 1] [Dirección 2]  
[Ciudad], [Estado] [Código postal]

Estimado/a [Nombre] [Apellido]:

La presente carta se debe a que su hipoteca está asegurada por el gobierno federal y tenemos motivos para creer que usted puede necesitar ayuda con su hipoteca. Si está al dia con los pagos de su hipoteca, se encuentra en un período de indulgencia de pago de la hipoteca, o está trabajando con su administrador de la hipoteca, le pedimos que haga caso omiso de esta carta.

Entendemos que usted puede estar pasando por una situación difícil y que no puede hacer frente a los pagos de su hipoteca. Si tiene dificultades para pagar su hipoteca, le instamos a que tome medidas ahora. Póngase en contacto con el administrador de su hipoteca o con una agencia de asesoramiento en materia de vivienda aprobada por el HUD para analizar las opciones con las que cuenta para ponerse al día en el pago de su hipoteca u otras ayudas que puedan estar a su disposición. La FHA le exige a su administrador hipotecario que revise su situación, determine las opciones de asistencia para las cuales usted califica, y que luego lo ayude a completar dicha opción.

Hay dos maneras de obtener esta información:

1. **Comuníquese con el administrador de su hipoteca**, es decir, la entidad a la que usted hace los pagos mensuales de su hipoteca. Si no está seguro de quién es el administrador de su hipoteca, revise el estado de cuenta mensual de su hipoteca u otro tipo de comunicaciones de su administrador hipotecario para obtener su información de contacto. También puede visitar su sitio web. Si tiene dificultades para ponerse en contacto con su administrador o si éste no le ofrece información sobre las formas de reestructurar su hipoteca, le recomendamos que considere la segunda opción.
2. **Obtenga ayuda de una agencia de asesoramiento en materia de vivienda aprobada por el HUD**. Para encontrar una agencia de asesoramiento en materia de vivienda aprobada por el HUD, llame al (800) 569-4287 o utilice nuestra herramienta de búsqueda en línea en: [hud.gov/housingcounseling](http://hud.gov/housingcounseling). Los asesores de vivienda están capacitados para evaluar su situación financiera y explicarle las opciones disponibles. Un asesor de vivienda certificado por el HUD puede ayudarle a trabajar con su administrador hipotecario.

Asimismo, los gobiernos federal, estatal y local han puesto en marcha diversas opciones de alivio hipotecario. Por ejemplo, el Fondo de Ayuda a los Propietarios de Viviendas (HAF, por sus siglas en inglés) es un programa federal para ayudar a los hogares que se han retrasado en el pago de sus hipotecas u otros gastos relacionados con la vivienda debido a la COVID-19. Para obtener más información sobre el programa HAF en su estado, visite <https://www.ncsha.org/homeowner-assistance-fund/>.

Atentamente,

Oficina de Asesoramiento de Vivienda del HUD

Tenga cuidado con los fraudes: Puede ver una copia de esta carta en el sitio web del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos en: [hud.gov/housingcounseling](http://hud.gov/housingcounseling).

*For English, please see the other side.*

## APPENDIX G - APRIL 2022 LETTER MAILED TO CERTAIN HOMEOWNERS WITH REVERSE MORTGAGES



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



[Date]

[First Name] [MI] [Last Name]  
[Street Address 1] [Street Address 2]  
[City], [State] [Zip]

Dear [First Name] [Last Name]:

You are receiving this letter because your mortgage is federally insured and we have reason to believe that you may need assistance with your mortgage. If you are current on your property charges, such as your property taxes, homeowners or flood insurance payments, homeowners association or condominium association dues, special assessments, and ground rents, as applicable, please disregard this letter.

**We understand that you may be struggling and unable to make payments on your property charges. If you are having difficulty paying one or more of these charges, we want to encourage you to reach out for help. Contact a HUD-approved housing counseling agency to discuss what relief may be available to you.**

To find a HUD-approved housing counseling agency, call (800) 569-4287, or use the online search at: [hud.gov/housingcounseling](http://hud.gov/housingcounseling). Housing counselors are trained to assess your financial situation and explain the options available to you. A HUD-certified housing counselor may be able to help you work with your mortgage servicer, find tax-relief programs, or assist with other relief.

In addition, federal, state, and local governments are implementing various mortgage relief options. For example, the Homeowner Assistance Fund (HAF) is a federal program to help households who have fallen behind on their mortgages or other housing-related expenses due to COVID-19. For more information about the HAF program in your state visit <https://www.ncsha.org/homeowner-assistance-fund/>.

Sincerely,

HUD Office of Housing Counseling

Beware of scams: You can view a copy of this letter on the U.S. Department of Housing and Urban Development's web site at: [hud.gov/housingcounseling](http://hud.gov/housingcounseling).

*Para español, ver el reverso.*



DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO DE LOS EE. UU.  
WASHINGTON, DC



### [Fecha]

[Nombre] [Iniciales de su segundo nombre] [Apellido]  
[Dirección 1] [Dirección 2]  
[Ciudad], [Estado] [Código postal]

Estimado/a [Nombre] [Apellido]:

La presente carta se debe a que su hipoteca está asegurada por el gobierno federal y tenemos motivos para creer que puede necesitar ayuda con su hipoteca. Si está al día en sus gastos de propiedad, como los impuestos sobre la propiedad, los pagos del seguro de los propietarios o del seguro contra inundaciones, las cuotas de la asociación de propietarios o de la asociación de condominios, las valoraciones especiales y los alquileres del terreno, según corresponda, puede hacer caso omiso de esta carta.

**Comprendemos que quizás esté pasando por dificultades y que no pueda hacer frente a los pagos de sus gastos de propiedad. Si tiene dificultades para pagar uno o más de estos cargos, lo animamos a que busque ayuda. Comuníquese con una agencia de asesoramiento en materia de vivienda aprobada por el HUD para analizar las medidas de alivio que pudieran estar a su disposición.**

Para encontrar una agencia de asesoramiento en materia de vivienda aprobada por el HUD, llame al (800) 569-4287 o utilice nuestra herramienta de búsqueda en línea en: [hud.gov/housingcounseling](http://hud.gov/housingcounseling). Los asesores de vivienda están capacitados para evaluar su situación financiera y explicarle las opciones disponibles. Un asesor de vivienda certificado por el HUD puede ayudarle a trabajar con el administrador hipotecario, a encontrar programas que le ayuden a pagar los impuestos o incluso a obtener otras ayudas.

Asimismo, los gobiernos federal, estatal y local han puesto en marcha diversas opciones de alivio hipotecario. Por ejemplo, el Fondo de Ayuda a los Propietarios de Viviendas (HAF, por sus siglas en inglés) es un programa federal para ayudar a los hogares que se han retrasado en el pago de sus hipotecas u otros gastos relacionados con la vivienda debido a la COVID-19. Para obtener más información sobre el programa HAF en su estado, visite <https://www.ncsha.org/homeowner-assistance-fund/>.

Atentamente,

Oficina de Asesoramiento de Vivienda del HUD

Tenga cuidado con los fraudes: Puede ver una copia de esta carta en el sitio web del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos en: [hud.gov/housingcounseling](http://hud.gov/housingcounseling).

*For English, please see the other side.*