

## FHA INFO #17-35

August 28, 2017



**TO: All FHA-Approved Mortgagees and Servicers; All other Stakeholders in FHA Transactions**

### NEWS AND UPDATES

#### Guidance for FHA-approved Mortgagees and Servicers Regarding Presidentially-Declared Major Disaster Areas

As a result of the Presidential Declaration of a Major Disaster Area (PDMDA) in designated counties in the State of Texas due to damage caused by Hurricane Harvey, today the Federal Housing Administration (FHA) is issuing this reminder to mortgagees originating and/or servicing mortgages in the affected PDMDAs:

- FHA-insured mortgages secured by properties in a PDMDA are subject to a 90-Day moratorium on foreclosures following the disaster.
- HUD provides mortgagees an automatic 90-Day extension from the date of the moratorium expiration date to commence or recommence foreclosure action or evaluate the borrower under HUD's Loss Mitigation Program.

Mortgagees should review complete servicing guidance in the *Single Family Housing Policy Handbook* (SF Handbook) 4000.1, Sections III.A.2 and III.A.3.c relating to the servicing of mortgages in PDMDAs.

In preparation for assisting homeowners with longer-term recovery efforts, mortgagees should also review:

- FHA's 203(h) Mortgage Insurance for Disaster Victims requirements in Section II.A.8.b of the SF Handbook. The 203(h) program allows FHA to insure mortgages for victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.
- FHA's 203(k) Rehabilitation Mortgage Insurance Program requirements in Section II.A.8.a of the SF Handbook. The 203(k) program provides mortgage financing or refinancing which includes the cost of home repairs – both structural and non-structural – into the loan amount.

Mortgagees can find more information about the policies referenced above and other FHA PDMDA policies on the FHA Resource Center's [Online Knowledge Base](#).

### Quick Links

- Review HUD's August 28, 2017, press release at [https://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2017/HUD No 17-068](https://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2017/HUD_No_17-068)
- Access the SF Handbook in online or portable document format from HUD's Client Information Policy Systems Handbooks web page at: [https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/handbooks/hsgb](https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb)