



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date:** April 7, 2023

**Mortgagee Letter 2023-08**

**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** Extension for COVID-19 Forbearance and COVID-19 Home Equity Conversion Mortgage (HECM) Extensions Through May 31, 2023

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**Purpose** This Mortgagee Letter (ML) establishes a final date for requesting COVID-19 Forbearance and a COVID-19 Home Equity Conversion Mortgage (HECM) Extension.

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**Effective Date** The policies in this ML are effective immediately.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

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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) or call 1-800-CALLFHA (1-800-225-5342). HUD will consider the feedback in determining the need for future updates.

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**Affected Programs**

This ML provides additional forbearance for certain Borrowers in section III.A.2.o.i Forbearance for Borrowers Affected by the COVID-19 National Emergency (COVID-19 Forbearance) in HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

This ML also provides additional extensions for certain HECMs as established in ML 2020-06 and extended by MLs 2020-34, 2020-44, 2021-04, 2021-05, 2021-15, and 2021-24 related to:

- ML 2015-10, *Home Equity Conversion Mortgage (HECM) Due and Payable Policies*;
  - ML 2015-11, *Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges*; and
  - 24 CFR § 206.125, Acquisition and sale of the property, and § 206.205, Property charges.
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**Background**

The Federal Housing Administration (FHA) is extending the deadline for requesting COVID-19 Forbearance and HECM Extensions through May 31, 2023.

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) and an Extension Period for HECMs Affected by the COVID-19 National Emergency. HUD has extended the deadlines for approval of an initial COVID-19 Forbearance and the HECM Extensions multiple times, most recently tying the last dates to request an initial COVID-19 Forbearance and HECM Extension to the end of the COVID-19 Presidentially Declared National Emergency. As the National Emergency may end earlier than originally expected, HUD has determined that a short period beyond the expiration of the COVID-19 Presidentially Declared National Emergency would be beneficial to both FHA Borrowers and Mortgagees. This extension is intended to provide affected Borrowers ample time to request a COVID-19 Forbearance or HECM Extension, and for Mortgagees to offer and process these requests. FHA is extending the period until May 31, 2023 to align COVID-19 Forbearance and HECM Extension requests with the monthly billing cycle.

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**Summary of Changes**

This ML:

- establishes a final date for Borrowers to request COVID-19 forbearance (III.A.2.o.i); and
  - establishes a final date for Borrowers to request a COVID-19 HECM Extension.
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**FHA Single  
Family Housing  
Policy  
Handbook  
4000.1**

**Servicing and  
Loss Mitigation**

The policy changes will be incorporated into Handbook 4000.1 as follows:

**Forbearance for Borrowers Affected by the COVID-19 National  
Emergency (III.A.2.o.i)**

**(B) Standard**

Upon Borrower request, Mortgagees must offer a COVID-19 Forbearance to any Borrower that experiences an adverse impact on their ability to make on-time Mortgage Payments due to the COVID-19 pandemic, regardless of Default status.

All FHA-insured Borrowers are eligible for a COVID-19 Forbearance, regardless of the delinquency status of the Mortgage.

The Mortgagee may utilize any available method for communicating with a Borrower regarding a COVID-19 Forbearance to meet these requirements. Acceptable methods of communication regarding a COVID-19 Forbearance include, but are not limited to, emails, text messages, fax, teleconferencing, websites, web portals, etc. If a Mortgagee sends out a general communication advising that a COVID-19 Forbearance is available, the Borrower may reply to that communication requesting a COVID-19 Forbearance, via email, phone call, or any other method of communication clearly made available to the Borrower by the Mortgagee.

The term of the initial and any additional COVID-19 Forbearance period may be shortened at the Borrower’s request.

The Mortgagee must waive all Late Charges, fees, and penalties, if any, as long as the Borrower is on a COVID-19 Forbearance Plan.

No COVID-19 Forbearance period may extend beyond **November 30, 2023**.

**COVID-19 Forbearance Period, Based on Date of Initial COVID-19  
Forbearance**

<b>Initial Forbearance Date</b>	<b>Initial Forbearance Period</b>	<b>Additional Forbearance Period</b>	<b>Forbearance Extensions</b>	<b>Maximum Forbearance Period</b>
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

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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 – May 31, 2023	Up to 6 months	Up to 6 months (if the initial forbearance will be exhausted and expires on or before May 31, 2023)	0	Up to 12 months (if the Borrower is eligible for the additional COVID-19 Forbearance Period)

**(1) Initial COVID-19 Forbearance Requested on or before June 30, 2020**

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Mortgagee must approve, up to two additional three-month COVID-19 Forbearance extension periods. Each three-month extension must be requested individually. Neither of the two additional three-month extension periods may extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these Borrowers is 18 months.

**(2) Initial COVID-19 Forbearance Requested between July 1, 2020 and September 30, 2020**

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Mortgagee must approve, one additional three-month COVID-19 Forbearance extension period. The additional three-month extension period must not extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these Borrowers is 15 months.

**(3) Initial COVID-19 Forbearance Requested between October 1, 2020 and June 30, 2021**

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. The COVID-19 Forbearance must not extend beyond June 30, 2022. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

**(4) Initial COVID-19 Forbearance Requested between July 1, 2021 and September 30, 2021**

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee. This COVID-19 Forbearance period must not extend beyond September 30, 2022. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

**(5) Initial COVID-19 Forbearance Requested between October 1, 2021 and May 31, 2023**

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Mortgagee if:

- the Borrower has utilized a full six months of initial COVID-19 Forbearance; and
- the initial COVID-19 Forbearance will expire on or before May 31, 2023.

This COVID-19 Forbearance period must not extend beyond November 30, 2023. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

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**Extensions for HECMs Affected by the Presidentially Declared COVID-19 National Emergency**

Changes from current policy are highlighted in yellow.

**Extensions for Home Equity Conversion Mortgages (HECM) Affected by COVID-19**

**COVID-19 Extensions for HECMs**

The following applies to all HECMs.

<b>Initial Extension Start Date</b>	<b>Initial Extension Period</b>	<b>Additional Extension Period</b>	<b>Additional Extensions</b>	<b>Maximum Extension Period</b>
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 – <b>May 31, 2023</b>	Up to 6 months	Up to 6 months (if the initial COVID-19 Extension period will be exhausted and expires <b>on or before May 31, 2023.</b> )	0	Up to 12 months (if the Borrower or the HECM is eligible for the additional COVID-19 Extension period)

No Extension period may extend beyond **November 30, 2023.**

The term of either the initial or any additional Extension period may be shortened at the Borrower’s request. The Mortgagee must waive all Late Charges, fees, and penalties, if any, accruing while the HECM is in an Extension period.

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Mortgagees must notify HUD of any Extensions by submitting an Extension request into Home Equity Reverse Mortgage Information Technology (HERMIT).

### **For HECMs that are Not in a Due and Payable Status**

Upon request of the Borrower, the Mortgagee must delay submitting a request to call a loan due and payable. The initial Extension period may be up to six months. Additional Extensions to this initial Extension period may be available to the Borrower as follows:

#### Initial Extension Requested on or before June 30, 2020

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, the Borrower may request, and the Mortgagee must approve, two additional three-month Extension periods. Each three-month Extension must be requested individually. Neither of the two additional three-month Extension periods may extend beyond December 31, 2021. The maximum Extension period for these Borrowers is 18 months.

#### Initial Extension Requested between July 1, 2020 and September 30, 2020

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, the Borrower may request, and the Mortgagee must approve, one additional three-month Extension period. The additional three-month Extension period must not extend beyond December 31, 2021. The maximum Extension period for these Borrowers is 15 months.

#### Initial Extension Requested between October 1, 2020 and June 30, 2021

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. This Extension period must not extend beyond June 30, 2022. The maximum Extension period for these Borrowers is 12 months.

#### Initial Extension Requested between July 1, 2021 and September 30, 2021

The Borrower can request, and the Mortgagee must approve, an additional Extension period of up to six months. This Extension period

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must not extend beyond September 30, 2022. The maximum Extension period for these Borrowers is 12 months.

### Initial Extension Requested between October 1, 2021 and May 31, 2023

The Borrower can request, and the Mortgagee must approve, an initial Extension period of up to six months. If needed, an additional COVID-19 Extension period of up to six months may be requested by the Borrower and must be approved by the Mortgagee if:

- the Borrower has utilized a full six months of the initial COVID-19 Extension period; and
- the initial COVID-19 Extension period will expire on or before May 31, 2023.

No COVID-19 Extension period may extend beyond November 30, 2023. The maximum COVID-19 Extension period for these Borrowers is 12 months.

### **For HECMs that are in a Due and Payable Status**

For loans that have become automatically due and payable, entered into a deferral period (including deadlines necessary for loans to enter a deferral period), or became due and payable with HUD approval, the Borrower may request, or the Mortgagee may take, an automatic Extension for any deadline relating to foreclosure and claim submission for a period of up to six months. Additional Extensions to this initial Extension period may be available to the Borrower or Mortgagee as follows:

#### Initial Extension Requested on or before June 30, 2020

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, two additional three-month Extension periods can be taken. If a Borrower requests the additional three-month Extension periods, the Mortgagee must approve them. The Borrower must request each three-month Extension individually. Neither of the two additional three-month Extension periods may extend beyond December 31, 2021. The maximum Extension period for these Borrowers or Mortgagees is 18 months.

#### Initial Extension Requested between July 1, 2020 and September 30, 2020

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. At the conclusion of the first 12-month Extension period, if needed, one additional three-month

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Extension period can be taken. If a Borrower requests the additional three-month Extension period, the Mortgagee must approve them. The additional three-month Extension period must not extend beyond December 31, 2021. The maximum Extension period for these Borrowers or Mortgagees is 15 months.

### Initial Extension Requested between October 1, 2020 and June 30, 2021

The Borrower may request, or the Mortgagee may take, an additional Extension period of up to six months. This Extension period must not extend beyond June 30, 2022. The maximum Extension period for these Borrowers or Mortgagees is 12 months.

### Initial Extension Requested between July 1, 2021, and September 30, 2021

The Borrower can request, or the Mortgagee may take, an additional Extension period of up to six months. This Extension period must not extend beyond September 30, 2022. The maximum Extension period for these Borrowers or Mortgagees is 12 months.

### Initial Extension Requested between October 1, 2021 and May 31, 2023

The Borrower can request, and the Mortgagee must approve or the Mortgagee may take an initial Extension period of up to six months. If needed, an additional COVID-19 Extension period of up to six months may be requested by the Borrower and must be approved by the Mortgagee or may be taken by the Mortgagee if:

- the HECM has utilized a full six months of the initial COVID-19 Extension period; and
- the initial COVID-19 Extension period will expire on or before May 31, 2023.

No COVID-19 Extension period may extend beyond November 30, 2023. The maximum COVID-19 Extension period for these HECMs is 12 months.

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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 (PRA) 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; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, 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 ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), [answers@hud.gov](mailto:answers@hud.gov), or [www.hud.gov/answers](http://www.hud.gov/answers). The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-services>.

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**Signature**

Julia R. Gordon  
Assistant Secretary for Housing -  
FHA Commissioner

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