



FHA INFO 2023-38

May 17, 2023

Modifications to the Home Equity Conversion Mortgage Assignment Claim Type 22 Submission Criteria and Documentation Requirements

Today, the Federal Housing Administration (FHA) published Mortgagee Letter (ML) [2023-10, Modifications to the Home Equity Conversion Mortgage \(HECM\) Assignment Claim Type 22 \(CT-22\) Submission Criteria and Documentation Requirements](#). This ML implements procedural changes and revised documentation requirements for HECM assignment claim submissions and incorporates industry feedback received on the draft ML, *Modifications to the Home Equity Conversion Mortgage (HECM) Assignment Claim Type 22 (CT-22) Submission Criteria*, announced in [FHA INFO 2023-25](#).

This ML implements the following changes:

- Lowers the Maximum Claim Amount (MCA) required to submit an assignment claim for Preliminary Title Approval (PTA) from 97.5 percent to 97.0 percent;
- Allows mortgagees to submit copies of the note and security instrument with the assignment claim application, with submission of the original loan documents required no later than 90 days after the assignment claim payment date;
- Extends the timeframe for delivery of assignments of the mortgage to the Secretary from six months to twelve months for HECMs with FHA case numbers assigned before September 19, 2017, making the assignment delivery timeframe the same for all HECMs; and
- Modifies the supporting documentation mortgagees must submit to be eligible for PTA.

The HECM assignment CT-22 is an option that allows mortgagees to assign a HECM to FHA in exchange for claim payment up to the MCA. For a HECM loan to be eligible for assignment to HUD, the mortgagee and the borrower must be in compliance with all FHA assignment claim requirements, including that the HECM loan balance is at or above 98 percent of the MCA and is not due and payable. Once a HECM is assigned to HUD, HUD becomes the mortgage holder and will perform the servicing duties for the remaining duration of the HECM loan term.

This ML makes no changes to documentation required in the CT-22 collateral package or for HECMs assigned using the Mortgagee Optional Election Assignment.

The provisions of this ML are effective immediately.

For more information, read today's [press release](#).

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- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
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- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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