



8584 Katy Freeway, Suite 420

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

Partners

Thomas E. Black, Jr.

Gregory S. Graham

Shawn P. Black

Managing Attorney Houston

Ryan Black

Senior Lawyers

David F. Dulock

Diane M. Gleason

Daniel S. Engle

Margaret Noles

Associates

Nick Stevens

Syndy Davis

Brandon Pieratt

Of Counsel

David M. Tritter

Calvin C. Mann, Jr.

Retired Partner(s)

Calvin C. Mann, Jr.

¹ Also Licensed in Iowa, New York, and Washington

² Also Licensed in Georgia

³ Also Licensed in Kentucky and New York

⁴ Also Licensed in Washington D.C.

⁵ Also Licensed in New York

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To: Clients and Friends

From: David F. Dulock

Subject: FHA Expands Home Retention Measures for Homeowners Financially Impacted by COVID-19 in Mortgagee Letter 2020-22

On July 8, 2020, the Federal Housing Administration (FHA) issued Mortgagee Letter 2020-22 (ML 2020-22, [click here](#)) that informs mortgagees of additional home retention measures to help homeowners with FHA-insured single family mortgages who are financially impacted by the COVID-19 pandemic to bring their mortgage current at the end of their COVID-19 forbearance.

Effective immediately, mortgagees will be able to use the additional loss mitigation options set out in ML 2020-22. These options are available for homeowners whose mortgages were current or less than 30 days past due as of March 1, 2020 and apply to all FHA Title II Single Family forward mortgage programs. Mortgagees must offer eligible borrowers the COVID-19 Loss Mitigation Options and procedures set forth in ML 2020-22 no later than 90 days from the July 8, 2020 date of ML 2020-22.

ML 2020-22 updates existing COVID-19 Forbearance and COVID-19 Standalone Partial Claim options published in ML 2020-06, and establishes the following COVID-19 Home Retention and Disposition Options:

- COVID-19 Owner-Occupant Loan Modification
- COVID-19 Combination Partial Claim and Loan Modification
- COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation
- COVID-19 Non-Occupant Loan Modification
- COVID-19 Pre-Foreclosure Sale (PFS)
- COVID-19 Deed-in-Lieu (DIL) of Foreclosure

The above-mentioned policy changes in ML 2020-22 will be incorporated into the HUD Single Family Housing Policy Handbook 4000.1

This memorandum is a brief overview of ML 2020-22 and does not summarize or otherwise address the COVID-19 loss mitigation options the subject of ML 2020-22. Therefore, we advise readers of this memorandum to read ML 2020-22 by clicking on the hyperlink in the first paragraph of this memorandum.

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