



COVID-19 Questions and Answers

Last revised: **April 3, 2020**

Q1. What is FHA's Office of Single Family Housing doing to prepare for possible disruptions in its business operations should the Coronavirus (COVID-19) warrant office closures?

A1. All of FHA, including Single Family, is prepared to operate remotely to ensure our business operations continue with as little disruption as possible in the event of office closures.

Q2. Is FHA continuing to endorse loans?

A2. Insurance endorsements for all FHA Title I loans and Title II forward and reverse mortgages continues; however, there may be processing delays if staff is working remotely.

Q3. Is the FHA Resource Center continuing normal operations?

A3. Yes. However, if the Homeownership Centers (HOCs) are closed there will not be FHA staff members available to receive escalated calls. If this occurs, we recommend that stakeholders email their questions to the FHA Resource Center at: answers@hud.gov for a quicker response.

Q4. (REVISED 3.18.20) Must lenders still complete the annual recertification by March 31, 2020?

A4. (REVISED 3.18.20) FHA has extended the due date for annual recertification to April 30, 2020 for those lenders with a December fiscal year end. However, lenders that can complete the annual recertification before April 30th are encouraged to do so.

Q5. Are requests for lender insurance (LI) authority being processed?

A5. Yes. The LI approval process is electronic, so lenders may continue to submit these requests.

Q6. Can lenders still submit applications to become FHA-approved lenders?

A6. Yes. The FHA lender approval process is electronic, so lenders may continue to submit these requests.

Q7. Will FHA still conduct lender monitoring and/or loan reviews?

A7. Yes. FHA staff will conduct these reviews remotely. All on-site reviews are suspended until further notice.

Q8. Will the Credit Alert Verification Reporting System (CAIVRS) be available if there are office closures?

A8. Yes. CAIVRS will be available to determine if a borrower has a delinquent federal debt.

Q9. Will the FHA TOTAL Scorecard be available for lenders?

A9. Yes. The FHA TOTAL Scorecard will be available.



Q10. (Revised 3.27.20) Will FHA still conduct in-person lender trainings?

A10. (Revised 3.27.20) No. All FHA Single Family in-person trainings are suspended. Online webinar trainings will continue. FHA will continue to assess the situation to determine when in-person trainings can resume.

Q11. Are there special loss mitigation program options available to borrowers who may be negatively impacted by the Coronavirus?

A11. As with any other event that negatively impacts a borrower's ability to pay their monthly mortgage payment, FHA's suite of loss mitigation options provides solutions that mortgagees should offer to distressed borrowers – including those that could be impacted by the Coronavirus – to help prevent them from going into foreclosure. An example of one of these options is our Special Forbearance for unemployed borrowers. The SFB-Unemployment Option is a Home Retention Option available when one or more of the Borrowers has become unemployed and this loss of employment has negatively affected the Borrower's ability to continue to make their monthly Mortgage Payment. These home retention options are located in FHA's [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) Section III.A.2. See [FHA INFO 20-18](#) for more details. FHA is closely monitoring the situation and will provide updated guidance, as needed.

Q12. Is FHA requiring servicers to conduct occupancy exterior inspections during this time?

A12. Yes. The standard in FHA's SF Handbook states that the mortgagee must perform a visual exterior inspection. No physical contact with the borrower and/or occupants is required. For more information, please see [SF Handbook](#), Section III.A.2.h.xi — *Occupancy Inspection*.

Q13. Does FHA require physical contact with the borrower and/or occupants when acquiring possession of a property in connection with occupied conveyances?

A13. No. When identifying property occupants, FHA does not require physical contact with the borrower and/or occupants. For more information, please see [SF Handbook](#), Section III.A.2.s. — *Acquiring Possession*.

Q14. Will I be able to place a bid on a HUD-owned property via the HUD Homestore bid site?

A14. Yes. The [bidding site](#) is available.

Q15. Is FHA continuing to process claims?

A15. FHA will continue to process claims; however, servicers may experience slightly longer processing timeframes if there are office closures, particularly for any claims submitted manually and Title I claim submissions and Title I manufactured housing endorsements.

Q 16. Is HUD suspending credit reporting for FHA-Insured mortgages?

A 16. FHA requires servicers to comply with the credit reporting requirements of the Fair Credit Reporting Act (FCRA); however, FHA encourages servicers to consider the impacts of COVID-19 on borrowers' financial situations and any flexibilities a servicer may have under the FCRA when taking negative credit reporting actions.



Q17. (REVISED 3.27.20) Is FHA continuing to require appraisals with interior property inspections for Single Family programs?

A17. (REVISED 3.27.20) In accordance with [Mortgagee Letter 2020-05](#), exceptions for two additional appraisal inspection scope of work options may be used for certain cases. The exterior-only appraisal and the desktop-only appraisal options are permitted when circumstances warrant. The FHA roster appraiser must complete all required appraisals in accordance with acceptable Appraisal Reporting Forms and Protocols. See [ML 2020-05](#) for more program specific details.

Q18. Are face-to-face interviews still required under FHA's Default Servicing early default intervention requirements?

A18. FHA has published a regulatory waiver and an accompanying SF Handbook waiver to allow mortgagees to utilize alternative methods for contacting borrowers, in lieu of face-to-face interviews, to meet the requirements of [SF Handbook](#), Section III.A.2.h.xii. For more information, please see [Regulatory Waiver and Handbook Waiver](#).

Q&As (3.18.2020)

Q19. Will lenders be penalized if they are unable to submit case binders to FHA within 10 business days of the binder request as a result of temporary lender office closures or reductions in on-site staff?

A19: No. Lenders should make every effort to submit case binders to FHA as quickly as possible, but they will not be penalized for overdue binder requests caused by their temporary office closures or staff reductions related to Coronavirus disease 2019 (COVID-19).

Q20. Will FHA suspend foreclosures and evictions on single family properties now that a Presidentially-Declared COVID-19 National Emergency has been declared?

A20. Yes. FHA published [Mortgagee Letter \(ML\) 2020-04](#), "*Foreclosure and Eviction Moratorium in connection with the Presidentially-Declared COVID-19 National Emergency*," on March 18, 2020. This ML announced an immediate foreclosure and eviction moratorium for all FHA-insured single family mortgages for a 60-day period.

Q21: Is FHA providing an automatic extension to foreclosure deadlines following the expiration of this moratorium?

A21: Yes. FHA is providing mortgagees an automatic 60-day extension following the moratorium expiration date to commence or recommence foreclosure action or evaluate the borrower under HUD's Loss Mitigation Program.

Q22. Why is FHA granting a foreclosure moratorium for HECMs instead of an extension to the HECM foreclosure timelines?

A22. FHA is authorizing a foreclosure moratorium for Home Equity Conversion Mortgages (HECMs) through guidance in [ML 2020-04](#), which is being provided in response to the unprecedented national emergency and the exigent circumstances surrounding the COVID-19 crisis. HUD's

Presidentially-declared major disaster rea (PDMDA) guidance concerning extensions of HECM foreclosure timelines as provided in [FHA INFO 18-40](#) is unaffected by the guidance.

Q&As (3.27.2020)

Q23. When are exceptions to the appraisal inspection protocols for the use of exterior-only and desktop-only scope of work permitted?

A23. An exception for the exterior-only option is limited to purchase cases, rate and term refinances, simple refinances, and HECMs. An exception for the desktop-only option is limited to purchase cases.

Q24. What precautions should appraisers take while conducting a property appraisal report with inspection?

A24. Appraisers are advised to establish safety policies and procedures for their clients per the current guidance and recommendations provided by the Centers for Disease Control (CDC) as well as local, state, and federal resources. When scheduling property inspections, appraisers should discuss established protocols to reduce the risk of COVID-19 exposure.

Q25. Does the appraiser have to perform an interior inspection of the subject property?

A25. Certain FHA cases may now be completed with exterior-only or desktop-only scope of work. The appraiser should monitor the client's engagement letters and instructions. For cases requiring the standard protocols of a complete interior and exterior viewing, the appraiser should follow safe practices and keep the client informed.

Q26. When performing an exterior-only or desktop-only scope of work, should the appraisal subject to inspection be completed at a later date?

A26. The appraisal does not need to be subject to an inspection at a later date solely because an interior or physical inspection was not performed. The appraiser must identify any necessary extraordinary assumptions based on the limited inspection scope of work and complete the appraisal based upon these assumptions. The appraisal will be completed "AS IS" unless deficiencies in Minimum Property Requirements (MPR) are observed or known to the appraiser based on the scope of inspection.

Q27. Which appraisal forms will be used for the exterior-only and desktop-only appraisals?

A27. The current acceptable appraisal reporting forms based on property/assignment type will continue to be used for all appraisals, including those with limited inspection scope of work. The appraiser must include the amended model certification and scope of work with the appraisal form. See acceptable reporting forms below:

Property/Assignment Type	Acceptable Reporting Form
Single Family, Detached, Attached or Semi-Detached Residential Property	Fannie Mae Form 1004/Freddie Mac Form 70 , <i>Uniform Residential Appraisal Report (URAR)</i> ; Mortgage Industry Standards Maintenance Organization (MISMO) 2.6 Government-Sponsored Enterprise (GSE) format
Single Unit Condominium	Fannie Mae Form 1073/Freddie Mac Form 465 , <i>Individual Condominium Unit Appraisal Report</i> ; MISMO 2.6 GSE format
Manufactured (HUD Code) Housing	Fannie Mae Form 1004C/Freddie Mac Form 70B , <i>Manufactured Home Appraisal Report</i> ; MISMO 2.6 Errata 1 format
Small Residential Income Properties(Two to Four Units)	Fannie Mae Form 1025/Freddie Mac Form 72 , <i>Small Residential Income Property Appraisal Report</i> ; MISMO 2.6 Errata 1 format
Update of Appraisal(All Property Types)	Summary Appraisal Update Report Section of Fannie Mae Form 1004D/Freddie Mac Form 442 , <i>Appraisal Update and/or Completion Report</i> ; MISMO 2.6 Errata 1 format
Compliance or Final Inspection for New Construction or Manufactured Housing	Form HUD-92051 , <i>Compliance Inspection Report</i> , in Portable Document Format (PDF)
Compliance or Final Inspection for Existing Property	Certification of Completion Section of Fannie Mae Form 1004D/Freddie Mac Form 442 , <i>Appraisal Update and/or Completion Report</i> ; MISMO 2.6 Errata 1 format

- Q28. Where should the appraiser get the subject property data necessary to complete the appraisal form for an exterior-only or desktop-only scope of work?**
- A28.** To identify the property characteristics necessary to develop the appraisal, the appraiser may rely on third party data from the following sources: prior appraisals, tax assessor’s property record, and the Multiple Listing Service (MLS). The Appraiser may also obtain and rely on information from the homeowner with disclosures. Extraordinary assumptions are permitted when necessary in the development of a credible appraisal and should be clearly stated.
- Q29. Are there any additional changes to the appraisal form data requirements to clearly communicate that a modified scope of work was completed?**
- A29.** Yes. To better identify a modified scope of work appraisal, the Map Reference text field within the subject section of the form should be used to state “desktop” or “exterior,” when applicable.
- Q30. Is the appraiser still responsible for identification of property deficiencies and minimum property requirements?**
- A30.** While the FHA minimum property requirements (MPR) has not changed, the appraiser is required to observe, analyze, and report only what is evident based on the assignment scope of work.



Q31. Can an extension of the time for completion of repairs be granted for a limited or standard 203(k) mortgage due to construction delays?

A31. Yes. A borrower who is current on their mortgage payments may request an extension of time from the mortgagee where construction is delayed for reasons outside of the borrower's control, such as natural disasters or other contractor delays, which result in the work not being completed within the rehabilitation period specified in the Rehabilitation Loan Agreement. The borrower must submit adequate documentation to justify the extension. The mortgagee may grant an extension at its discretion.

The mortgagee must complete the required fields on the escrow closeout certification screen in FHA Connection (FHAC) to document the approval or the denial for the extension request. For more information, please see SF Handbook, Section II.A.8.a.xvii.(B) — Extension Requests.

Q32. Is FHA continuing to require 203(k) consultants to physically inspect the properties with loans for FHA insurance?

A32. Yes. The 203(k) consultants must inspect the property and prepare a report in accordance with the requirements of SF Handbook, Section II.A.9.b.ii. 203(k) consultants should stay informed of CDC coronavirus updates and incorporate prudent measures in their business practice regarding personal contact with the borrower and/or occupants. FHA is closely monitoring the situation and will provide updated guidance, as needed.

Q33. Can mortgagees close the loan and submit it for endorsement if they are not able to re-verify the borrower's employment before closing?

A33. Yes. On March 27, 2020, FHA published [Mortgagee Letter 2020-05](#), which announced alternatives that mortgagees can use to re-verify borrowers' employment for all FHA Single Family Title II forward mortgages prior to settlement, where required, so long as certain conditions are met. Refer to [ML 2020-05](#) for details.

Q34. Will HUD accept notification from the Social Security Administration Death Master File as evidence of the death of a HECM borrower for purposes of Claim Type 22 review?

A34. Yes, if a servicer is unable to obtain a copy of a deceased borrower or co-borrower's death certificate, HUD will accept alternative evidence of the death for purposes of Claim Type 22 review, including notification from the Social Security Administration Death Master File. Servicers should document their servicing files with their attempts to obtain a death certificate or other evidence of the borrower's death. See [Mortgagee Letter 2018-08](#).

Q&As (4.1.2020)

Q35: [Mortgagee Letter 2020-06](#) states 'an additional COVID-19 Forbearance period of up to six months may be approved'. Does this require HUD approval to extend the forbearance beyond the initial six-month period?

A35: No. Mortgagees may extend the COVID-19 Forbearance without HUD approval up to an additional six months, upon borrower request.

Q36: Should mortgagees offer impacted borrowers the COVID-19 Forbearance if they are unemployed due to the pandemic, or the standard Special Forbearance for Unemployment?

A36: Mortgagees must offer the COVID-19 Loss Mitigation Options to all borrowers who have been experiencing a financial hardship adversely impacting their ability to make on-time mortgage payments due, directly or indirectly, to the COVID-19 National Emergency, if requested by the borrower.

Q37: There is only a forbearance and Standalone Partial Claim Option specific to COVID-19 impacted borrowers. What actions should mortgagees take at the end of the forbearance period if they do not qualify for the COVID-19 Standalone Partial Claim?

A37: If a borrower does not qualify for the COVID-19 Standalone Partial Claim at the end of the forbearance period, mortgagees must review the borrower for FHA's loss mitigation options as outlined in the [Single Family Housing Policy Handbook 4000.1](#), Section III.A.2.k HUD's Loss Mitigation Options.

Q38: (Added 4.3.2020) Will interest on my HECM be waived during the COVID-19 Presidentially-Declared National Emergency?

A38: (Added 4.3.2020) Interest will continue to accrue on all HECM loans. However, any borrower in an extension period relating to the COVID-19 Presidentially- Declared National Emergency will not be charged any late fees or penalties during this time.

Q39: Can the reasonable diligence deadline for filing a HECM Mortgagee Optional Election Assignment be extended for HECM borrowers impacted by the COVID-19 National Emergency?

A39: Yes. For any HECM that has entered into a deferral period, a mortgagee may take an automatic extension for any foreclosure and claim submission for a period of up to six months.

Q40: Must mortgagees delay requesting due and payable approval for HECMs when the borrower is no longer occupying the property, if the borrower so requests, for HECM borrowers impacted by the COVID-19 National Emergency?

A40: Yes. Mortgagees must delay submitting a request to call the HECM due and payable upon request of the borrower impacted by the COVID-19 National Emergency.

Q41: What documentation is required to prove the borrower has financial hardship due to COVID-19?

A41: No documentation is required to prove financial hardship due to the COVID-19 National Emergency. Mortgagees must offer borrowers experiencing financial hardship due, directly or indirectly, to the COVID-19 National Emergency a COVID-19 Forbearance upon borrower request.

Q42: What happens at the end of the COVID-19 Foreclosure and Eviction moratorium?

A42: FHA is continually evaluating the situation and, if needed, may extend the moratorium. Any extension will be communicated through a Mortgagee Letter. When the moratorium expires, mortgagees have a 60-day extension to start or re-start foreclosure or offer a COVID-19 Loss Mitigation Home Retention Option if the borrower's circumstances have changed.



Q43: How should FHA homeowners who seek Forbearance because of the COVID-19 National Emergency be reported to consumer reporting agencies?

A43: Homeowners with FHA-insured mortgages who are performing as agreed under FHA's COVID-19 Forbearance option are not considered to be delinquent for purposes of credit reporting. HUD encourages servicers to consider the impacts of COVID-19 on homeowners' financial situations and any flexibilities a servicer may have under the FCRA and the CARES Act § 4021.d.(F) when taking any negative credit reporting actions.

Q44: Are mortgagees required to follow the requirements and timeline for communication with borrowers from the [Single Family Housing Policy Handbook 4000.1](#), Section III.A.2.h.iii *Collection Communication Timeline* for the COVID-19 Loss Mitigation Options?

A44: Yes. All Early Delinquency timeline and disclosure requirements remain applicable for borrowers impacted by the COVID-19 National Emergency. However, [ML 2020-06](#) gives mortgagees the added flexibility to utilize any available methods for communicating with a borrower the COVID-19 National Emergency forbearance.

Q45: [Mortgagee Letter 2020-06](#) includes a COVID-19 Forbearance. How is this forbearance different than the Informal and Formal Forbearance from HUD's Priority Waterfall?

A45: The COVID-19 National Emergency forbearance is not a written agreement; it may be extended up to six months, upon borrower request; and it may only be offered under the guidance for this COVID-19 National Emergency.

Q46: Will the monthly mortgage payments that are reduced or suspended under a COVID-19 Forbearance need to be repaid?

A46: Yes. A borrower who receives a COVID-19 Forbearance is responsible for repaying the suspended mortgage payments or the balance of reduced mortgage payments. Mortgagees must offer eligible borrowers repayment and Loss Mitigation Options to assist in making these payments. All late charges, fees, and penalties must be waived as long as the borrower is on a COVID-19 Forbearance Plan.

Q47: Should mortgagees offer a Trial Payment Plan (TPP) to borrowers impacted by COVID-19?

A47: No. Mortgagees must offer borrowers experiencing a financial hardship due to the COVID-19 National Emergency a forbearance, upon borrower's request. A TPP is not required for borrowers impacted by the COVID-19 National Emergency.

Q48: What SFDMS code(s) should be entered for borrowers impacted by the COVID-19 Moratorium?

A48: For borrowers included in the COVID-19 moratorium published in [ML 2020-04](#), mortgagees should report the existing Delinquency/Default Status Code *HUD Issued Moratorium* (AS) for the applicable reporting cycle(s). Please do not report Natural Disaster (34). Borrowers otherwise affected by COVID-19 that require Loss Mitigation assistance should be reported as initially as *Delinquent* (42).



Q49: What SFDMS Delinquency/Default Status Code must mortgagees report for COVID-19 Forbearances and COVID-19 Standalone Partial Claims for borrowers impacted by the National Emergency?

A49: Mortgagees should report Status Code *06 – Formal Forbearance* for the COVID-19 Forbearance and Status Code *10 – Partial Claim Started* for the COVID-19 National Emergency Standalone Partial Claim.

Q50: What SFDMS Delinquency/Default Reason codes should mortgagees report for borrowers affected by COVID-19 that seek Loss Mitigation assistance?

A50: Mortgagees should also use the existing Delinquency/Default Reason Codes available to report the Reason for Default accurately. For example: 002 *Illness of Principal Borrower* or 003 *Illness of Borrower’s Family Member* if the default is due to a primary borrower or family member that is ill, 001 *Death of Principal Borrower* or 004 *Death of a Borrower’s Family Member* if the illness results in death, 016 *Unemployment* if the borrower is laid off and has no job to go back to, or 006 *Curtailment of Income* if the borrower’s income is otherwise affected, including furlough. For further reporting questions, please contact sfdatarequests@hud.gov.
