



Federal Housing Administration Frequently Asked Questions on The Homeowner Assistance Funds

Please note that these may not be all the FAQs on this topic, as just the search term “HAF” was utilized, and FHA may have used different variations for this topic. The search results compiled below are up-to-date as of February 16, 2022. Additionally, this does not constitute legal advice, rather this communicates the FAQs that have been released by FHA.

1. Can Homeowner Assistance Funds (HAF) be used to help pay off an existing partial claim if the Borrower’s mortgage has been brought current? And how should the Mortgagee process these funds?

- a. Yes, as allowable by their state’s Homeowner Assistance Fund (HAF program), FHA allows Borrowers who are now current to use HAF funds to help pay off their partial claim. If possible, the funds to help pay off a partial claim should be sent directly to HUD’s contractor ISN Corporation (ISN); otherwise, Mortgagees should forward the funds to HUD, via HUD’s contractor (ISN) at:

ISN Corporation – Western Operations Center
Attention: Secretary Held Loan Servicing
2000 N Classen Blvd Suite #3200
Oklahoma City, OK 73106

Phone: 1-800-225-5342

Email: PCServicing@hud.gov

Topic Number: KA-05998

2. If approved by the state, are Mortgagees required to accept the Homeowners Assistance Fund (HAF)?

- a. Yes. HUD requires Mortgagees to inform Borrowers suffering financial distress that these additional resources may be available through their state. As permitted by the jurisdiction’s Homeowners Assistance Fund (HAF) program, HAF funds designated to cure a delinquent mortgage must be used in connection with the Borrower’s FHA-insured mortgage or any partial claim mortgage in a manner consistent with the respective mortgage documents and FHA requirements.

For more information on HAF see:



U.S. Department of the Treasury – Homeowner Assistance Fund at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>

HUD Press Release No.21-115 at https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_115

Mortgagee Letter 2021-18 at https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

Topic Number: KA-05970

3. If a Borrower has applied for the Homeowner Assistance Fund (HAF), should the Mortgagee pause the Loss Mitigation evaluation or foreclosure action?

- a. The Mortgagee may only place the loss mitigation evaluation or foreclosure action on hold when they are notified that the Borrower has received final approval for the Homeowner Assistance Fund (HAF) funds. Delaying the completion of loss mitigation increases the Borrower’s delinquency, and may make it more difficult to bring their mortgage current since there is no guarantee the Borrower will be approved for HAF funds. Once a Borrower is approved for HAF funds, the Mortgagee must report Delinquency Status Code 78 Borrower Program Assistance Received. For Borrowers in Loss Mitigation, the Mortgagee may request an approval through the Extensions and Variances Automated Requests System (EVARS) for an extension of time to the first legal action deadline, if needed, until the amount of HAF funds are verified to complete the Loss Mitigation option. For Borrowers in foreclosure, Mortgagees may suspend or terminate the foreclosure proceedings, depending on State Law requirements. If State Law requires that the foreclosure be terminated, then the Mortgagee must request an approval from HUD via EVARS for an extension of time to the first legal action deadline.

Technical support on Extensions and Variances Automated Requests System (EVARS) and E-Class at: helpdesk@hudnsc.org

Toll-Free Number: 1-888-647-5893

For Speech and Hearing Impaired (TeleTypewriter): 1-801-741-1437

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Topic Number: KA-05992

4. If a Borrower is facing foreclosure and the Mortgagee receives notification that a Borrower has been approved for the Homeowner Assistance Fund (HAF), does the Mortgagee need to place the foreclosure on hold?

- a. If the Mortgagee receives information from the State Homeowner Assistance Fund (HAF) program, or through the State’s online HAF notification, that the



Borrower has received final approval for HAF funds, then the Mortgagee may consider this the initiation of a request for Loss Mitigation under Handbook 4000.1 Section III.A.2.t.ii.(C)(2) Terminating Foreclosure Proceedings for Loss Mitigation to suspend or terminate the foreclosure proceedings depending on State Law requirements. If State Law requires that the foreclosure be terminated, then the Mortgagee must request an approval from HUD via Extensions and Variances Automated Requests System (EVARS) for an extension of time to the first legal action deadline. The Mortgagee must report Delinquency Status Code 78 Borrower Program Assistance Received.

Handbook 4000.1 is located at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgH

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Topic Number: KA-05991

5. If a Mortgagee is notified that a Borrower is approved for the Homeowner Assistance Fund (HAF), are they required to report it to HUD?

- a. Yes, the Mortgagee must report Delinquency Status Code 78 Borrower Program Assistance Received in the Single Family Default Monitoring System (SFDMS), starting with the cycle in which the Mortgagee is notified that the Borrower is approved for the Homeowner Assistance Fund (HAF). Reporting Code 78 should continue until funds are applied. If more than one default status code is applicable for the month, Mortgagees may report Code 78 and then the other applicable code(s). If only one default status code can be reported, Mortgagees must report the most applicable code that reflects the activity occurring.

SFDMS Default Reporting guidance is located in Handbook 4000.1 available at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgH

The SFDMS Reporting Codes and Reporting Data Elements are located on the Single Family Housing Policy Handbook (Handbook 4000.1) Supplemental Documents web page: https://www.hud.gov/program_offices/housing/sfh/handbook_references

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Topic Number: KA-05994



6. How do I submit a request for a payoff statement for Partial Claims being paid off with Federal Homeowner Assistance Funds (HAF)?

For Partial Claims being paid off with Federal Homeowner Assistance Funds (HAF) please send your request for a payoff statement to HUD's mailbox: HAFPCPayoffs@hud.gov

Payoff statement requests not using HAF should be directed to HUD's mailbox: PCPayoffs@hud.gov.

Direction For submitting a Payoff Request:

- All payoff requests must be submitted in writing and include a copy of the Partial Claim Promissory Note. Borrowers unable to locate their Partial Claim Promissory Note should contact their loan servicer.
- The payoff request must include the following:
 - Ten-digit FHA Case number
 - Full Property address
 - Borrower's name
 - Anticipated payoff date
 - Requestor's contact information
 - Instruction of where to send the payoff
 - Borrower signed authorization form, Power of Attorney, or other documentation showing legal authorization, if applicable. Electronic signatures will be accepted on any documents associated with servicing for FHA-insured Mortgages.
- Written authorization is required in order for (ISN) Information Systems & Networks Corporation to release case specific information to a 3rd party: The third-party authorization, Power of Attorney, or other documentation showing legal authorization must be signed and dated by the Borrower, with a statement identifying the party to whom they wish ISN to release information.
- To provide case specific information, if the Borrower is incapacitated or deceased, please complete the authorization provide and a copy of the documents granting you legal access to the Borrower(s) loan information (such as a Power of Attorney, if incapacitated, or Letters of Administration, if deceased, etc.).
- Incomplete requests are unable to be processed.

Please allow up to five (5) business days for the request to be processed.

Partial Claim Payoff Requests

The payoff quote will contain the sum of all partial claims that have been paid related to the FHA Case number.



Payoff Status Inquiries:

Due to the Privacy Act, inquiries on the status of a payoff request can only be accepted from the borrower or an authorized third party (who has provided the appropriate authorization documentation to HUD's servicing contractor). All others will need to contact the borrower or authorized party as applicable. Additionally, due to the high volume of payoff statement requests, status inquiries may only be made after the five (5) business day processing time has elapsed.

If a loan closing is rescheduled beyond the good through date on the payoff statement, a new payoff must be obtained. Each request will be independently processed and must follow all the requirements listed above.

HUD does not issue wire instructions for Secretary Held HECMs or Partial Claims. Any Secretary Held HECM or Partial Claim payoff statement containing wiring instructions is fraudulent. The recipient should immediately contact FHA at answers@hud.gov to report that they have received a possibly fraudulent communication, and to obtain a correct payoff statement.

Visit HUD's National Servicing Center web page at:

https://www.hud.gov/program_offices/housing/sfh/nsc

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Topic Number: KA-05979

7. If a Mortgagee receives notification that a Borrower has been approved for the Homeowner Assistance Fund (HAF) and are awaiting the exact amount before determining the Borrower's loss mitigation options, can the Mortgagee request an extension to the date of the first legal action for foreclosure?

Yes. The Mortgagee must report Delinquency Status Code 78 Borrower Program Assistance Received and may submit an extension request through the Extensions and Variances Automated Requests System (EVARS).

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Topic Number: KA-05993



8. Are Mortgagees required to accept the Homeowner Assistance Fund (HAF) for Borrowers being evaluated for FHA loss mitigation?

If the Mortgagee is notified that a Borrower being evaluated for FHA loss mitigation has qualified for the Homeowners Assistance Fund (HAF), the Mortgagee must apply the HAF funds as permitted by the State's HAF requirements. This may require the Mortgagee to use the HAF funds in conjunction with FHA's loss mitigation options. State programs have different allowable uses for their state HAF funds. Based upon the allowable uses of the state's HAF funds, FHA permits the application of additional funds, such as HAF, to be used as part of a Borrower's loan modification or to reduce the partial claim amount needed, including for the COVID-19 loss mitigation options.

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Topic Number: KA-05996

9. Can FHA Borrowers who are delinquent use the Homeowner Assistance Fund (HAF) to bring their mortgage current without completing a loss mitigation option?

Yes, the Mortgagee may use the Homeowner Assistance Fund (HAF) to bring the mortgage current. However, if the Borrower cannot resume their current monthly mortgage payment, the Mortgagee must evaluate the Borrower for available loss mitigation options in conjunction with the use of HAF funds. State programs have different allowable uses for their state HAF funds. Based upon the allowable uses of the state's HAF funds, FHA permits the application of additional funds, such as HAF, to be used as part of a Borrower's loan modification or reduce the partial claim needed, including for the COVID-19 loss mitigation options.

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Topic Number: KA-05999

10. Can Borrowers who are delinquent use the U.S. Department of Treasury's Homeowner Assistance Fund (HAF) in conjunction with FHA's loss mitigation?

Yes, Borrowers can use the Homeowner Assistance Fund (HAF) in conjunction with FHA's loss mitigation. State programs have different allowable uses for their state HAF funds. Based upon the allowable uses of the state's HAF funds, FHA permits the application of additional funds, such as HAF assistance, to be used as part of a Borrower's loan modification or to reduce the partial claim amount needed, including for the COVID-19 loss mitigation options.

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Topic Number: KA-05995

11. How can the Homeowner Assistance Fund (HAF) be applied for Borrowers who are current on their mortgage and have already completed a loss mitigation action?

As allowable by the state, Homeowner Assistance Funds (HFA) funds can be applied for assistance with mortgage payments, as a lump sum to reduce the principal balance of the mortgage, to help pay off the partial claim, and for other specified purposes.

Mortgagees should refer to a state's HAF program guidelines to determine how HAF funds may be applied. If the mortgage is in a Government National Mortgage Association (Ginnie Mae) pool and is current as of the date the HAF funds are received, it cannot be modified.

See Ginnie Mae's MBS Guide, Ch. 18, Part 3, § B(1)(a)(2) at https://www.ginniemae.gov/issuers/program_guidelines/Pages/MBSGuideLib.aspx

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Topic Number: KA-06000

12. If a Home Equity Conversion Mortgage (HECM) Borrower is facing foreclosure due to non-monetary default, such as Property tax and insurance (T&I) default or homeowners association fees, and the Mortgagee receives notification that a Borrower has been approved for the Homeowner Assistance Fund (HAF), does the Mortgagee need to place the foreclosure on hold?

If a Home Equity Conversion Mortgage (HECM) Borrower is facing foreclosure due to non-monetary default, such as Property tax and insurance (T&I) default or homeowners association fees, and the Mortgagee receives notification that a Borrower has been approved for the Homeowner Assistance Fund (HAF), does the Mortgagee need to place the foreclosure on hold?

If the Mortgagee receives notification from the State Homeowner Assistance Fund (HAF) program that the Home Equity Conversion Mortgage (HECM) Borrower has been approved for HAF funds, then the Mortgagee may consider this an appropriate reason to suspend or terminate the foreclosure proceedings, under Mortgagee Letter 2015-10, depending on State Law requirements. If State Law requires that the foreclosure be terminated, then the Mortgagee must request an approval from HUD via an extension of time to the first legal action deadline. The Mortgagee must report the extension in Home Equity Reverse Mortgage Information Technology (HERMIT) as the Hardest Hit Fund, with a note that states the use of HAF funds.

For additional information see Mortgagee Letter 2015-10 available at https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee



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Topic Number: KA-06003

13. What is the Homeowner Assistance Fund (HAF) and how can I locate information about the program?

The American Rescue Plan Act of 2021 established the Homeowner Assistance Fund (HAF) in the U.S. Department of the Treasury in order to provide financial assistance to eligible homeowners who have suffered financial hardships during the COVID-19 National Emergency. Qualified expenses may include mortgage payment assistance, mortgage reinstatement, utilities, insurance, and other housing-related costs. Mortgagees must inform Borrowers suffering financial distress that these additional resources may be available through their state. As permitted by the jurisdiction's HAF program, HAF funds may be used in connection with the Borrower's FHA-insured mortgage or any partial claim mortgage in a manner consistent with the respective four mortgage documents and FHA requirements.

More information on HAF is available at:
<https://www.ncsha.org/homeowner-assistance-fund/>

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Topic Number: KA-05971

14. If a Home Equity Conversion Mortgage (HECM) Borrower had delinquent property charges brought current by funds from the State Homeowner Assistance Fund (HAF) can the HECM be assigned to the Secretary?

Yes, provided all other assignment criteria are met.

For additional information see Mortgagee Letters 2015-15, 2016-05, 2017-05, 2018-08, 2019-15, and 2021-15 at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

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Topic Number: KA-06005



15. Should the Mortgagee calculate the Borrower's maximum partial claim before or after the Homeowner Assistance Funds (HAF) are applied?

The Mortgagee must calculate the Borrower's maximum partial claim before the Homeowner Assistance Funds (HAF) are applied, based on the Unpaid Principal Balance (UPB) as of the date of Default at the time of payment of the initial partial claim.

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Topic Number: KA-05997

16. Are funds provided by the State Homeowner Assistance Fund (HAF) to bring a Home Equity Conversion Mortgage (HECM) Borrower's delinquent property charges current considered a Mortgagee Funded Cure for purposes of assignment to the Secretary?

No, funds provided by the State Homeowner Assistance Fund (HAF) are not considered a Mortgagee Funded Cure.

For additional information see Mortgagee Letter 2016-07 at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

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Topic Number: KA-06006

17. Where can I find more information about my State's Homeowner Assistance Fund (HAF) program requirements?

More information about Homeowner Assistance Fund (HAF) by state can be found at: <https://www.ncsha.org/homeowner-assistance-fund/>.

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Topic Number: KA-05990



18. Where can I find more information about the U.S. Department of Treasury's Homeowner Assistance Fund (HAF)?

More information about Homeowner Assistance Fund (HAF) can be found on Treasury's website at: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>.

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Topic Number: KA-05989

19. If a Mortgagee receives notification that a Borrower has been approved for the Homeowner Assistance Fund (HAF) (A Record) and are awaiting the exact amount before determining the Borrower's loss mitigation options, can the Mortgagee request an extension to the date of the first legal action for foreclosure?

Yes. The Mortgagee must report Delinquency Status Code 78 - Borrower Program Assistance Received and may submit an extension request through the Extensions and Variances Automated Requests System (EVARS).

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Topic Number: KA-05993

20. If a Home Equity Conversion Mortgage (HECM) Borrower had delinquent property charges brought current by funds from the State Homeowner Assistance Fund (HAF) can the HECM be assigned to the Secretary?

Yes, provided all other assignment criteria are met.

For additional information see Mortgagee Letters 2015-15, 2016-05, 2017-05, 2018-08, 2019-15, and 2021-15 at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

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Topic Number: KA-06005