

When can a Mortgagee suspend the foreclosure action in relation to the Homeowner Assistance Fund?

The Mortgagee may, and is strongly encouraged to, place a foreclosure action on hold for any of the circumstances described below:

- the Mortgagee receives notification from the state HAF program that the Borrower has applied for HAF funds (I Record);
- the Mortgagee is notified that the Borrower has received final approval for the HAF funds (A Record); or
- a state HAF program requires a foreclosure action to be suspended.

HAF Application

It is strongly encouraged that a Mortgagee place foreclosure action on hold as soon as the Mortgagee has been notified by the state HAF program that the Borrower has applied for HAF funds. The Mortgagee must request an approval through the Extensions and Variances Automated Requests System (EVARS) for an extension of time.

HAF Approval or where a state HAF program requires a foreclosure action to be suspended

If placing the foreclosure action on hold would result in the Mortgagee failing to complete a required action within the FHA-prescribed time frame, the Mortgagee must request an approval through EVARS for an extension of time. For Borrowers in foreclosure, Mortgagees may suspend or terminate the foreclosure proceedings, depending on state law or state HAF program requirements. If the Mortgagee terminates the foreclosure action pursuant to state law or the state HAF program requirements, the Mortgagee must request an approval from HUD via EVARS for an extension of time to the first legal action deadline prior to the termination of the foreclosure proceedings.

Once a Borrower is approved for HAF funds, the Mortgagee must report Delinquency Status Code 78 Borrower Program Assistance Received.

Technical support on Extensions and Variances Automated Requests System (EVARS) and E-Class at:

helpdesk@hudnsc.org (<mailto:helpdesk@hudnsc.org>)

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

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

All policy information contained in this knowledge base article is based upon the referenced HUD policy document. Any lending or insuring decisions should adhere to the specific information contained in that underlying policy document.

Topic Number: KA-05992