
**Servicing Bulletin 2023-02
February 24, 2023**

To: All CHFA Single Family Servicers
From: John Chilson, Director, Portfolio Management
Subject: Updates to COVID-19 Post-Forbearance Loan Retention Options for FHA Insured loans.

This Servicing Bulletin ("SB 2023-02") specifically addresses HUD Mortgagee Letter 2023-03 dated February 13, 2023 which extends the COVID-19 Recovery Loss Mitigation options, including a 480-month Loan Modification, and which offers the following exemption: "Mortgagees that service Mortgages funded in connection with mortgage revenue bonds that are restricted by the Internal Revenue Code are exempt from the COVID-19 Recovery Modification if they cannot extend the term of a Mortgage beyond the original 30 years or the interest rate cannot be modified."

As a state Housing Finance Agency with Mortgages funded in connection with mortgage revenue bonds, CHFA will not be participating in the 480-month Loan Modification option. Borrowers can be considered for the 360-month option with an interest rate equal to the most recent PMMS Rate for 30-year fixed rate conforming Mortgages (U.S. average), rounded to the nearest one eighth of 1 percent (0.125 percent) as of the date the Borrower is offered a COVID-19 Recovery Modification. The rate can be lowered incrementally if necessary to achieve the target payment to no less than the original note rate.

***Questions regarding this Bulletin should be directed to
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