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 Anita Schaub at (860) 571-4291; anita.schaub@chfa.org.