



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF PUBLIC AND INDIAN HOUSING

Date: June 29, 2020

Dear Lender Letter 2020-08

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders
All Section 184A Approved Lenders

Subject Section 184 Indian Home Loan Guarantee program (Section 184) and Section 184A Native Hawaiian Housing Loan Guarantee program (Section 184A) extension of foreclosure and related evictions moratorium and loan processing flexibilities in connection with the Presidentially-Declared COVID-19 National Emergency.

Purpose The purpose of this Dear Lender Letter (DLL) is to inform lenders and servicers of an extension to the foreclosure and related evictions moratoriums originally issued in DLL 2020-04 and extended in DLL 2020-06 for borrowers with Section 184 or Section 184A guaranteed loans for an additional period through August 31, 2020. This DLL also extends loan processing flexibilities related to appraisals, verification of employment and IRS transcripts originally issued in DLL 2020-05 and extended in DLL 2020-06 to August 31, 2020.

Effective Date The provisions of this DLL are effective immediately upon the expiration timeframes announced in DLL 2020-06 for all Section 184 and 184A guaranteed loans except for Section 184 and 184A guaranteed loans secured by vacant or abandoned properties.

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Background

On March 20, 2020, HUD published DLL 2020-04, through which the Secretary of HUD authorized a 60-day moratorium on foreclosures of Section 184 or 184A guaranteed loans and evictions of persons from such properties, to ensure that individuals and families were not displaced during this period given the current COVID-19 National Emergency.

On April 9, 2020, HUD published DLL 2020-05 authorizing the temporary modification of requirements for re-verification of employment, appraisals and IRS tax transcripts.

On May 19, 2020, HUD published DLL 2020-06 to extend the foreclosure and related evictions moratoriums and the loan processing flexibilities that expired on May 20, 2020 through June 30, 2020.

Due to the continued National Emergency resulting from the COVID-19 pandemic, HUD is issuing this DLL to extend the foreclosure and related evictions moratoriums and extend the loan processing flexibilities for all Section 184 and 184A loans, except those secured by vacant or abandoned properties.

Summary of Changes

Changes for borrowers affected by the COVID-19 National Emergency include:

- Extension of the foreclosure and related evictions moratoriums set forth in DLL 2020-04 and extended in DLL 2020-06, except for vacant and abandoned properties.
 - Extension of the flexibilities established for the verification of employment, appraisals and requirement for IRS tax transcripts set forth in DLL 2020-05 and extended in DLL 2020-06.
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Moratorium on Foreclosures and Related Evictions and Extension of Deadlines

Section 184 and 184A guaranteed loans, excluding vacant or abandoned properties, are subject to an extension to the moratorium on foreclosure through August 31, 2020. The moratorium applies to the initiation of foreclosures and to foreclosures in process.

Separate from any eviction moratorium applicable to lessors provided under Section 4024 of the CARES Act, evictions of persons from properties secured by Section 184 or 184A loans, excluding actions to evict occupants of vacant or abandoned properties, are also suspended through August 31, 2020.

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Deadlines for the first legal action and reasonable diligence timelines are extended by 90 days from the date of expiration of this moratorium for Section 184 and 184A guaranteed loans, except for Section 184 or 184A guaranteed loans secured by vacant or abandoned properties.

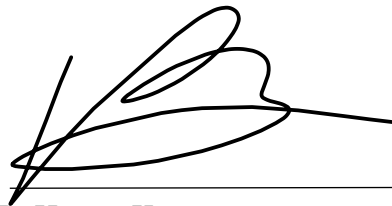
Extension of the flexibilities for the verification of employment, appraisal reviews and IRS tax transcripts

This action extends the effective date of the guidance contained in [DLL 2020-05](#) and extended in [DLL 2020-06](#), which provides flexible alternatives for re-verifying a borrower's employment, conducting appraisal reviews and obtaining IRS tax transcripts while physically-distancing during the Presidentially-Declared COVID-19 National Emergency. The flexibilities in DLL 2020-05 are extended to August 31, 2020.

Questions

Any questions regarding this DLL may be directed to Krisa.M.Johnson@hud.gov.

Signature



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For Public and Indian Housing