

Are face-to-face interviews required for Borrowers with a delinquent FHA mortgage?

The Mortgagee must have a face-to-face interview with the Borrower or make a reasonable effort to arrange a face-to-face interview no later than the 61st Day of delinquency, unless exempt.

The Mortgagee is not required to conduct a face-to-face interview if:

- the Borrower does not live in the mortgaged Property;
- the holding Mortgagee, servicing Mortgagee or branch office of either is not located within 200 miles of the mortgaged Property (unless it is an insured Mortgage on Indian land (Section 248));
- the Borrower has clearly indicated that they will not cooperate with a face-to-face interview; or
- the Borrower's payment is current due to an agreed-upon repayment plan or Forbearance Plan.

The Mortgagee must send to the Borrower via Certificate of Mailing or Certified Mail a letter providing information on:

- the availability of face-to-face interviews; and
- how to schedule the interview.

The Mortgagee must also attempt to contact the Borrower at the mortgaged Property to provide information on the availability of face-to-face interviews. The Mortgagee may use a third-party vendor to establish this contact with the Borrower and to schedule the Borrower's face-to-face interview with a Mortgagee representative.

The Mortgagee must ensure that the employee representing the Mortgagee at face-to-face interviews has the authority to propose and accept reasonable repayment plans. Where a Mortgagee's representative exceeds their authority by agreeing to a repayment plan at the time of the face-to-face interview, the Mortgagee must still accept the repayment plan agreed to by its representative, without regard as to whether the representative overstepped their authority.

The Mortgagee must document in its servicing file:

- the reason the face-to-face meeting is not required, if applicable;
- the dates and methods of its attempts at arranging a face-to-face interview; and
- the date of its face-to-face interview with the Borrower.

Additional questions may be directed to the HUD National Servicing Center at (877) 622-8525.

See policy in Handbook 4000.1 Section III.A.2.h.xii.

at: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgh