As you are aware, on April 18, 2019, the Department of Housing and Urban Development (“HUD”) issued FHA Mortgagee Letter 2019-06 in an attempt to clarify the documentation requirements for governmental entity down payment assistance in conjunction with FHA-insured single-family loans. Although our understanding is that the mortgagee letter was intended solely to address documentation requirements pursuant to HUD’s December 12, 2012 Interpretive Rule, a number of questions and concerns were raised by lenders regarding the application of Mortgagee Letter 2019-06 to NIFA’s Homebuyer Assistance (“HBA”) Program.

We learned early this morning that, in connection with a Motion for a Temporary Restraining Order filed by a mortgage agency in the United States District Court for the District of Utah, HUD has agreed to stay the effective date of Mortgagee Letter 2019-06 for a period of 90 days beginning April 24, 2019.

NIFA will continue to work with the National Council of State Housing Agencies, HUD and our Master Servicer with respect to clarifying the requirements in Mortgagee Letter 2019-06. As always, we will keep you apprised of developments. Until then, business as usual.

If you have any questions, please let us know.