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Alert 25-18 | October 10, 2025

Federal Government Shut Down Impact

PHH Mortgage Corporation dba Liberty Reverse Mortgage (Liberty) will continue to originate and purchase reverse mortgage loans during the government shut down; however, we want you to be aware of the impacts.

Delays can be expected with:

- FHA functions and systems listed below and as communicated in notification #2025-49 FHA Single Family Housing Originations and Systems Availability During Government Shutdown
- Internal Revenue Service (IRS); 4506-T income verifications. Completed 4506-C forms, signed at closing, continue to be required for all loans. IRS Tax or W-2 Transcripts are not required unless the underwriter deems that the tax transcripts are required due to a red flag.
- Social Security Administration (SSA) social security verifications. If Form SSA89 is required, then the validation of the social security number must be received prior to closing. The social security numbers must match on the credit report, W-2/tax return, and social security card.
- Purchasing and/or renewing flood insurance policies. Properties located in Special Flood Hazard Areas must have flood insurance coverage or acceptable evidence of pending issuance. The loan file must include a flood zone determination.

Based on FHA's notification #2025-49 FHA Single Family Housing Originations and Systems Availability During Government Shutdown delays should be expected for any actions that require FHA staff intervention.

The following FHA Operations and Systems **will be available** during shutdown, but with limited staff available and longer wait times for assistance:

- Manual pre-endorsement actions: resolution of the Holds Tracking queue (including case number assignments for Single-Unit Approval condominiums); case number transfers, cancellations, and reinstatements for cases that the mortgagee cannot process in FHA Connection and require FHA staff intervention;
- Submissions of Upfront Mortgage Insurance Premiums (UFMIP) for new endorsements;
- Condominium Project approvals under the Direct Endorsement Lender Review and Approval Process (DELRAP).

The following technology systems **will be available** for use, but with limited capability for actions that require FHA staff intervention:

- FHA Connection (FHAC), including obtaining an FHA Case Number;
- Credit Alert Verification Reporting System (CAIVRS); however, the accuracy of the information in the system may not be current;
- Electronic Appraisal Delivery (EAD) portal;
- *FHA Catalyst*: Case Binder Module;
- Home Equity Reverse Mortgage Information Technology (HERMIT);
- Lender Electronic Assessment Portal (LEAP); however, FHA will be unable to approve FHA applications, perform lender certifications, or review or process any audited financial statements;
- Loan Review System (LRS). On September 22, 2025, LRS was temporarily shut down for maintenance and continues while system teams make necessary updates. With the Federal Government shut down, it is expected that the LRS maintenance will require additional time;
- Neighborhood Watch Early Warning System (SFNW); however, data will not be updated for the duration of the shutdown.

The following processes **will be unavailable** for the duration of the shutdown:

- Endorsement of Home Equity Conversion Mortgages (HECM);
- Mortgage Insurance Certificate (MIC) corrections.
- Condominium Project approvals under the HUD Review and Approval Process (HRAP).

Please contact your Account Manager with any questions or concerns.

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