

EarlyResolution™

Newsletter

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INDUSTRY SPOTLIGHT

Implementation date of FHA Payment Supplement looming

On 2/21/2024 the U.S. Department of Housing and Urban Development (HUD) announced the details of their new Payment Supplement option for FHA loans. The 30-page mortgagee letter puts servicers on notice that provisions of the ML must be implemented by 01/01/2025. Federal Housing Commissioner Julia Gordon said in the press release, “FHA developed this innovative tool because after interest rates rose the FHA Recovery Modification could no longer reliably provide payment reduction to borrowers facing a hardship.” The Payment Supplement combines a Partial Claim along with a new “MoRP” or Monthly Principal Reduction. This will temporarily reduce the borrower’s monthly mortgage payment for

a period of three years, without requiring the mortgage to be modified. After the Payment Supplement Period ends, the borrower will be responsible for resuming payment of the full monthly principal and interest (P&I) amount.

With a 01/01/2025 implementation date looming, servicers now face the overwhelming task of tearing up their well-planned release calendars to find where they can squeeze in this work. Fortunately, [EarlyResolution](#) can help servicers stay aligned with ever-changing investor guidance updates via our Decision Service, built and maintained by Luxoft. Keep reading for more details!



EarlyResolution Decision Service simplifies the complex landscape

The latest HUD announcement is the most recent in a barrage of rule changes and will soon be followed up by an update to the SFH Handbook 4000.1. Compliance with investor guidelines can be complex and requires significant resource commitment. The EarlyResolution team knows all too well the burden servicers face when rolling out changes to decisioning rules, which is why the Decision Service tool was introduced in 2023. The Decision Service provides a standardized set of rules that can be leveraged across the industry, enhancing efficiency in your organization while reducing errors.

How does it work?

EarlyResolution monitors investor rule changes, making updates to the investor rules inside the Decision Service and thoroughly testing on a regular basis. All changes are extensively documented and communicated in regular Decision Service forums.

Reach out to your EarlyResolution representative to discuss the Decision Service now!

MEET THE TEAM



Avani Joshi

Avani Joshi has been a dedicated member of the EarlyResolution Team for over four years. Her journey at Luxoft began when she joined this project as a management trainee. She has a master's in finance and marketing and currently works as an Offshore Business Analyst on the Core BA Team.

As a member of the Core BA Team, she is primarily focused on collecting and reviewing requirements as well as design review with stakeholders. In addition, she supports the technical team by offering functional support and presenting the functional aspects of changes to the servicers. Her role is pivotal to develop necessary analysis and documentation around the tickets with a goal to provide robust solutions and seamless experience to the servicers.

She lives in the city of Chennai, India with her husband. She is an avid traveler and practices Yoga as a stress buster. In her leisure time, she enjoys reading fiction, especially Indian mythology and mystery books, and likes to cook various cuisines and enjoys painting.



Chau Le

Chau Le joined the EarlyResolution team in 2010 when he was still a new developer and he had chances to directly work onsite with the US and India teams. Prior to joining EarlyResolution, he spent more than two years working for Switzerland Banks and Financial Corporation as the Scrum Master and Manager. He currently is the Technical Lead on the Core Team and focuses on covering defects to ensure the quality of each release schedule.

Chau resides in Ho Chi Minh City, with his wife and one daughter. He spends his free time hanging out with his family, especially enjoying the beach and outdoor activities.

About Luxoft

Luxoft, a DXC Technology Company, is a trusted partner in global digital transformation and a leader in delivering competitive advantage in the software-defined world. We engineer and deliver innovative services and products that shape the future of industries by leveraging our extensive partnership network and deep industry-specific expertise. For more information, please visit luxoft.com

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