



1410 N. Westshore Boulevard, Suite 900  
Tampa, FL 33607-4547  
(813)228-0555 / (800)342-5957  
(813)228-0301 (Fax)  
www.oldrepublictitle.com  
Home Office: Minneapolis, Minnesota 55401-2499

## **BULLETIN 09-11**

To: All Old Republic National Title Agents and Offices  
From: Underwriting Department  
Re: FHA Loan Modification Payoffs  
Date: December 1, 2009

Recently, many homeowners have taken advantage of FHA loan modification programs. Some of these programs provide the borrower with lower payments but, instead of completely forgiving part of the debt, repayment of a portion of the debt is delayed. This delayed repayment is secured by a subordinate mortgage in favor of the Secretary of Housing and Urban Development ("HUD").

If you are asked to pay off a previously modified FHA loan that has a subordinate mortgage in favor of HUD, it is important to know that you must get separate payoffs and satisfactions for each mortgage. The lender under the first mortgage will not supply the amount due under the HUD mortgage in its estoppel letter, even though the modification was accomplished in one transaction and may have a single account number. You must order a second estoppel letter directly from HUD and follow the instructions in that letter in order to obtain a satisfaction of the subordinate mortgage.

If you have any questions, please contact Underwriting.

\*\* This Bulletin should become a permanent part of your records to assist in your compliance with the requirements contained herein. \*\*

Please **provide a copy of this Bulletin to your staff** so they can read it and become aware of its contents.

**REMEMBER:** All ORT Alerts, Bulletins, Notices and our Newsletter can be found on our web site, [www.ortfl.com](http://www.ortfl.com).

Our Alerts and Bulletins are issued via fax and email, but you should check our web site frequently to make sure you have copies of everything issued.

Please call your Underwriting Department if you have any questions.