amounts shall be itemized and deducted from the claim pursuant to §203.403. Receipts for disbursements are to be retained by the mortgagee and are to be made available upon request by the Commissioner.

(5) The mortgagee shall file its claim:
   (i) Within 30 days after the mortgagor acquired good marketable title to the property; or
   (ii) Within 30 days after a party other than the mortgagee acquired good marketable title to the property; or
   (iii) In redemption States, within 30 days after the mortgagor or another party redeemed the property or the redemption period has expired; or
   (iv) Within such other time as may be determined by the Commissioner.

(6) In any case in which the insurance benefits paid include, pursuant to §203.402(c), hazard insurance premiums paid by the mortgagee, the portion of the hazard insurance premium allocable to the period after acquisition of title by the mortgagee or a third party shall be deducted from the mortgage insurance benefits otherwise payable.

(Approved by the Office of Management and Budget under control number 2502–0347)


§ 203.369 Deficiency judgments.

(a) Mortgages insured on or after March 28, 1988. (1) For mortgages insured pursuant to firm commitments issued on or after March 28, 1988, or pursuant to direct endorsement processing where the credit worksheet was signed by the mortgagee’s underwriter on or after March 28, 1988, the Secretary may require the mortgagee to diligently pursue a deficiency judgment in connection with the foreclosure. With respect to claims filed for insurance benefits on such mortgages, any judgment obtained by the mortgagee must be assigned to the Secretary.

(2) In cases where the Secretary requires the pursuit of a deficiency judgment, the Commissioner, where the Commissioner determines it appropriate under State law requirements, may extend the otherwise applicable period of time within which a deficiency judgment (and other claims against the mortgagor) and related credit documents must be assigned to the Commissioner under §203.360, §203.367 or §203.368 of this subpart.

(b) Mortgages insured before March 28, 1988. For mortgages insured pursuant to firm commitments issued before March 28, 1988, or pursuant to direct endorsement processing where the credit worksheet was signed by the mortgagee’s underwriter before March 28, 1988, the Secretary may request the mortgagee to diligently pursue a deficiency judgment in connection with the foreclosure. With respect to claims filed for insurance benefits on such mortgages, any judgment obtained by the mortgagee must be assigned to the Secretary.

(c) In cases where pursuit of a deficiency judgment is requested or required under this section, the Commissioner, where the Commissioner determines it appropriate under State law requirements, may extend the otherwise applicable period of time within which a deficiency judgment (and other claims against the mortgagor) and related credit documents must be assigned to the Commissioner under §203.360, §203.367 or §203.368 of this subpart.

(d) In addition to meeting the requirements of §203.356, in cases where the Commissioner determines it necessary because of State law requirements, the Commissioner may also require (or request, as the Commissioner may determine) the mortgagee to provide the Commissioner with notice of the mortgagee’s intent to institute foreclosure proceedings a reasonable amount of time before proceedings are instituted, in order that the Commissioner may be able effectively to require or request the mortgagee, in appropriate cases, to seek a deficiency judgment.

(The information collection requirements contained in this section have been approved by the Office of Management and Budget under control number 2535–0093)


§ 203.370 Pre-foreclosure sales.

(a) General. HUD will pay FHA insurance benefits to mortgagees in cases where in accordance with State law to obtain a deficiency judgment.

(p) Mortgages insured before March 28, 1988. For mortgages insured pursuant to firm commitments issued before March 28, 1988, or pursuant to direct endorsement processing where the credit worksheet was signed by the mortgagee’s underwriter before March 28, 1988, the Secretary may request that the mortgagee diligently pursue a deficiency judgment in connection with the foreclosure. With respect to claims filed for insurance benefits on such mortgages, any judgment obtained by the mortgagee must be assigned to the Secretary.

(d) In cases where the Secretary requires the pursuit of a deficiency judgment, the mortgagee with the Secretary’s estimate of the fair market value of the property, less adjustments, in accordance with §203.368(e) of this part, the mortgagee must tender a bid at the foreclosure sale in that amount, and must take all other appropriate steps in accordance with State law to obtain a deficiency judgment.