

July 1, 2016

Julián Castro, Secretary

U.S. Department of Housing and Urban Development

451 7th Street SW

Washington, DC 20410

Dear Secretary Castro,

Thank you for taking the time to speak with me on June 27th. I am writing to follow up on our conversation regarding reverse mortgages.

As you know, if you are 62 or older and own a private home or approved condominium, you may qualify for a “reverse mortgage” through the Department of Housing and Urban Development’s (HUD) Home Equity Conversion Mortgage (HECM) program. This program allows homeowners to convert a portion of the equity in their home into cash.

Congress has allowed those who own units in a residential cooperative housing corporation – or “co-op” – to participate in this valuable program through language in P.L. 106-569 and P.L. 110-289. Specifically, the HECM statute states:

The term “mortgage” means a first mortgage or first lien on real estate, in fee simple, a first or subordinate mortgage or lien on all stock allocated to a dwelling unit in a residential co-operative housing corporation, or a first mortgage or first lien on a leasehold...

Despite Congressional action on this issue, and the considerable benefits that this program could bring to older co-op owners, HUD has not yet issued regulations to implement this portion of the statute. I am writing to request that HUD expedite this process and issue these needed regulations as soon as possible.

Again, thank you for taking the time to discuss this issue. I look forward to your reply.

Sincerely,

Eliot L. Engel

Member of Congress