

**UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF ADMINISTRATIVE LAW JUDGES**

In the Matter of:	)	
	)	
Saugus Federal Credit Union,	)	<b>HUDALJ 10-E-090-MR-55</b>
	)	
Respondent.	)	
	)	

**ORDER GRANTING JOINT MOTION TO DISMISS WITH PREJUDICE**

This action was initiated on March 24, 2010, by the Mortgagee Review Board of the United States Department of Housing and Urban Development (“the Government”) filing a Notice of Administrative Action (“Notice”) against Respondent Saugus Federal Credit Union under Section 202 of the National Housing Act of 1934, 12 U.S.C. § 1708(c). Respondent filed a response to the Notice on April 5, 2010. On April 8, 2010, the undersigned issued a Notice of Hearing and Prehearing Order setting the hearing in this matter to commence on April 28, 2010. In response, on April 14, 2010, the parties filed a Joint Motion to Stay Proceedings, requesting a thirty (30) day stay, which the undersigned granted.

On May 14, 2010, the parties filed a Joint Motion to Dismiss with Prejudice (“Motion”), on the basis that Respondent’s representative, Susan F. Dunbar, informed counsel for the Government that Respondent has decided to withdraw its request for a hearing. The parties request in the Motion that the Mortgagee Review Board’s action take effect as set forth in the March 24, 2010, Notice of Administrative Action, and that this matter be dismissed.

As to dismissal of a proceeding, the applicable regulations provide that “[w]hen a motion to dismiss the proceeding is granted, the ALJ shall make and file a determination and order in accordance with the provisions of § 26.50.” 24 C.F.R. § 26.40(g). In turn, 24 C.F.R. § 26.50(a) provides in pertinent part as follows:

The ALJ shall issue an initial decision based only on the record, which shall contain findings of fact, conclusions of law, and the relief granted. The ALJ’s initial decision shall not become effective unless it becomes or is incorporated into final agency action in accordance with §§ 26.50(c) or 26.52(l).

24 C.F.R. § 26.50(a).

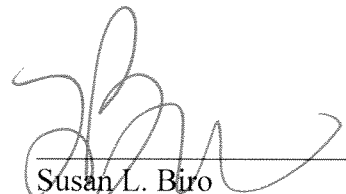
In accordance with Section 26.50(a), I make the following findings of fact and conclusions of law based upon the documents of record:

1. Respondent (FHA ID: 14407-0000-1 (Title 2)) held HUD/FHA approval to participate in the HUD/FHA insured mortgage programs under Title II of the National Housing Act of 1934, 12 U.S.C. § 1709. *See* Notice of Administrative Action; 24 C.F.R. Part 202.
2. Pursuant to 24 C.F.R. Part 202, Respondent was required to submit in a timely and appropriate manner its annual recertification fee. *See* 24 C.F.R. § 202.5(j), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
3. Pursuant to 24 C.F.R. Part 202, Respondent was required to submit in a timely and appropriate manner an executed Title II Yearly Verification report. *See* 24 C.F.R. § 202.5(m), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
4. Respondent failed to submit, in a timely and appropriate manner, its annual recertification fee through Pay.Gov within 30 days after the close of its fiscal year, as alleged in the Notice. *See* Notice of Administrative Action.
5. Respondent failed to submit, in a timely and appropriate manner, an executed Title II Yearly Verification report within 30 days after the close of its fiscal year, as alleged in the Notice. *See* Notice of Administrative Action.
6. In response, on October 23, 2009, the Mortgage Review Board issued a Notice of Violation to Respondent. *See* Notice of Administrative Action.
7. On March 24, 2010, more than 30 days after the issuance of the Notice of Violation as required by 12 U.S.C. § 1708(c)(4)(A), the Mortgage Review Board issued Respondent a Notice of Administrative Action imposing an immediate one year withdrawal of Respondent's HUD/FHA approval based upon its "serious violation of HUD/FHA's regulations and requirements," as authorized by 12 U.S.C. § 1708(c)(3)(D) and 24 C.F.R. § 25.6. *See* Notice of Administrative Action.
8. Respondent has withdrawn its appeal of the Mortgage Review Board's one year withdrawal of Respondent's HUD/FHA approval. *See* Joint Motion to Dismiss with Prejudice.
9. Respondent's failure to submit in a timely and appropriate manner its annual recertification fee constitutes a violation of 24 C.F.R. § 202.5(j), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
10. Respondent's failure to submit in a timely and appropriate manner an executed Title II Yearly Verification report within 30 days after the close of its fiscal year

constitutes a violation of 24 C.F.R. § 202.5(m), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.

**ORDER**

Based upon the foregoing, for good cause shown, the parties' Joint Motion to Dismiss with Prejudice is hereby **GRANTED**, and further, it is concluded that the Mortgagee Review Board's withdrawal of Respondent's HUD/FHA approval under Title II of the National Housing Act (FHA ID: 14407-0000-1 (Title 2)) continues in effect for one year from the date of Respondent's receipt of the Notice of Administrative Action dated March 24, 2010.

  
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Susan L. Biro  
Chief Administrative Law Judge<sup>1</sup>

Dated: May 17, 2010  
Washington, D.C.

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<sup>1</sup> The Administrative Law Judges of the United States Environmental Protection Agency are authorized to hear cases pending before the United States Department of Housing and Urban Development pursuant to an Interagency Agreement in effect beginning March 4, 2010.