

HUD Housing & FHA Monthly Review



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POLICY DEVELOPMENTS

HUD ACROSS OFFICE NOTIFICATION

Mortgagee Letter 15-05 - Notice of Program Eligibility for HUD Insured Housing Programs for All People Regardless of Sexual Orientation, Gender Identity or Marital Status as Required by HUD's Equal Access Rule

On February 3, 2012, HUD published a final rule entitled Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (77 FR 5662) ("Equal Access Rule or "rule"). The final rule ensures that housing across HUD programs are open to all eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

On February 6th, 2015, HUD Office of Housing published a Mortgagee Letter to increase awareness of Office of Housing program participants and insured product partners, of the requirements of the HUD Equal Access Rule for actual or perceived discrimination based on sexual orientation, gender identity, or marital status.

- Link to 2012 Federal Reg. Final Rule:

<http://portal.hud.gov/hudportal/documents/huddoc?id=12lgbtfinalrule.pdf>

- Link to 2015 ML: <http://portal.hud.gov/hudportal/documents/huddoc?id=15-05ml.pdf>

HOUSING COUNSELING

Latest Edition of "The Bridge" Newsletter:

http://portal.hud.gov/hudportal/documents/huddoc?id=OHC_BRIDGE022615.pdf

SINGLE FAMILY HOUSING

Mortgagee Letter 15-04 - Revised Notification to Homeowners of Availability of Housing Counseling Services

On February 4, the Office of Single Family Housing published a Mortgagee Letter that updates the content of the required Notification to Homeowners of Availability of Homeownership Counseling Services, providing a description of the potential services and benefits of housing counseling.

Providing borrowers with this additional information on housing counseling is expected to increase the number of borrowers utilizing housing counseling services as they attempt to resolve their delinquency or cure their default and, thus, reduce losses to the FHA Mutual Mortgage Insurance Fund.

- Link to ML: <http://portal.hud.gov/hudportal/documents/huddoc?id=15-04ml.pdf>

(Single Family Housing continued from pg. 1)

Final Tier Ranking System II (TRSII) Scores

On February 4, the Federal Housing Administration (FHA) issued a reminder that under the Tier Ranking System II (TRSII) Servicer Narrative, all scored servicers—including those that have not chosen to opt-out—may have their names and scores published on HUD's [Tier Ranking System page](#) on [HUD.gov](#) at the end of each calendar year. This information is now available for review.

TRSII quantifies compliance with HUD/FHA delinquent servicing guidelines and requirements in the areas of early delinquency intervention, loss mitigation engagement quantity and quality, and Single Family Default Monitoring System (SFDMS) reporting.

For detailed information about TRSII, please see the [Servicer Narrative](#). This narrative details the calculations for the scoring elements, why and how FHA looks at these elements, when and from which sources the data is derived, suggestions to increase your scores, how to contact us, and much more.

Federal Register - HUD's Qualified Mortgage Rule: Annual Threshold Adjustments to the Points and Fees Limit

On February 17, HUD published a final rule announcing HUD's qualified mortgage rule's annual threshold adjustments. The Consumer Financial Protection Bureau (CFPB) issued a final rule entitled "Truth in Lending (Regulation Z) Annual Threshold Adjustments (CARD ACT, HOEPA and ATR/QM)" on August 15, 2014. The final rule re-calculated the annual dollar amounts for the points and fees limit in

CFPB's "qualified Consumer Price Index in effect on June 1, 2014. HUD's "qualified mortgage" definition incorporates CFPB's qualified mortgage points and fees limit and the requirement that the points and fees limit be adjusted annually. This document clarifies that all annual adjustments to the qualified mortgage points and fees limit issued by the CFPB to reflect the Consumer Price Index apply to HUD's

points and fees limit provision, including CFPB's most recent final rule.

- Link to Federal Register:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-17/pdf/2015-03139.pdf>

Federal Register - FHA Standardizing Method of Payment for FHA Insurance Claims

On February 20, *FR-5805-P-01* Standardizing Method of Payment for FHA Insurance Claims published to the Federal Register. This proposed rule is a cost-savings measure to update HUD's regulations regarding the payment of FHA insurance claims in debentures. Section 520(a) of the National Housing Act affords the Secretary discretion to pay insurance claims in cash or debentures. Although HUD has given mortgagees the option to elect payment of FHA insurance claims in debentures in some sections of HUD's regulations, HUD has not paid an FHA insurance claim under these regulations using debentures in approximately 10 years.

- Link to Federal Register:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-20/pdf/2015-03457.pdf>

Mortgagee Letter 15-06 - Home Equity Conversion Mortgage (HECM) - Delay in Effective Date for Financial Assessment and Property Charge Funding Requirements for the Payment of Certain Property Charges

On February 26, the Federal Housing Administration (FHA) published Mortgagee Letter 15-06, due to a delay in delivery of certain system enhancements required to support the policies published in Mortgagee Letters 2014-21 and 2014-22, compliance with the financial assessment and property charge funding option requirements is now effective for HECM case numbers issued on or after April 27, 2015.

- Link to ML:

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-06ml.pdf>

MULTIFAMILY HOUSING

***NEW Publication* Latest Edition of – HUD Multifamily Housing News Newsletter**

- Link to Vol 1, Issue 1:

<http://portal.hud.gov/hudportal/documents/huddoc?id=HUDMultifamilyNews.pdf>

Memo - Administrative Guidance for Multifamily Property Assessed Clean Energy (PACE) in California

On January 29, Multifamily Housing published a Memo in recognition of the potential benefits of PACE for the multifamily portfolio, which includes clarifying information regarding the processes under which HUD insured and assisted properties located in California may receive support for energy and water efficiency improvements by entering into PACE agreements.

-Link to Memo:

http://portal.hud.gov/hudportal/documents/huddoc?id=MF_PACE_CA_Memo.pdf

Memo - Occupancy Protections for HUD-Assisted Households in Properties with Low-Income Housing Tax Credits.

On January 30th, Multifamily Housing published a Memo from the DAS clarifying policy that supports affordable development. The Memo summarizes recent operational changes and clarifications of existing policy to accommodate affordable and LIHTC units.

- Link to Memo:

http://portal.hud.gov/hudportal/documents/huddoc?id=Afford_hsg_Clarifications.pdf

Federal Register - Standardizing Method of Payment for FHA Insurance Claims

On February 20, Multifamily Housing published a proposed rule to the Federal Register, *FR-5779-N-01*. This proposed rule is a cost savings measure to update HUD's regulations regarding the payment of FHA insurance claims in debentures. Although HUD has given mortgagees the option to elect payment of

FHA insurance claims in debentures in some sections of HUD's regulations, HUD has not paid an FHA insurance claim under these regulations using debentures in approximately 10 years.

-Link to Federal Register:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-20/pdf/2015-03457.pdf>

Memo - Delegations of Authority Related to Multifamily Transformation in Midwest Region

On February 24, Multifamily Housing published an internal Memo on Delegations of Authority. The Multifamily Transformation resulted in changes to the organizational structure of the Chicago Regional Center, which are not reflected in the 2012 Delegations of Authority posted in the Federal Register on June 20, 2012. This memorandum is intended to re-delegate to Chicago's Regional Center Director and directors of Production and Asset Management, and to the Detroit and Minneapolis Satellite Office Coordinators, the authority these officers need to conduct business.

Revised Multifamily Accelerated Processing (MAP) Guide

On February 27, the draft Multifamily Accelerated Processing (MAP) Guide was posted to the Policy Drafting Table on Multifamily website and will remain available for public comment for 60 days. The final MAP Guide will be posted on the Multifamily Housing website on or around July 15, 2015. The MAP Guide is the primary source of guidance for Multifamily loan applications, loan underwriting, construction monitoring, and loan servicing, and is published approximately every three years.

The revised MAP Guide will include technical corrections and edits, integrate previously published policy, incorporate operational changes, and introduces proposed policy improvements.

-Link to Drafting Table:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/MFH_policy_drafts/MAP_DRAFTGUIDE

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