



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

January 28, 2010

MORTGAGEE LETTER 2010-05

**TO: ALL APPROVED NONPROFIT AGENCIES
ALL APPROVED MORTGAGEES
ALL GOVERNMENT AGENCIES**

SUBJECT: Announcement of the FHA Nonprofit Data Management System

Background and System Overview

The Department of Housing and Urban Development is pleased to announce the Federal Housing Administration's (FHA) newly developed Nonprofit Data Management System (NPDMS). NPDMS is an automated web-based program management tool designed to improve the application, recertification, and reporting process for organizations that participate in the Office of Single Family Housing (OSFH) activities and to assist HUD staff with the daily administration of FHA's Nonprofit Program activities.

FHA, through its four Homeownership Centers (HOCs), receives application and recertification packages as well as annual reports from organizations that participate in OSFH activities such as purchasing HUD/REO homes at a discount, providing secondary financing in conjunction with FHA-insured mortgages, and securing FHA loans as the Mortgagor. In the past, participating organizations had to submit the required documents in paper form to FHA. To ease the burden of drafting, photocopying and mailing paper applications and supporting documents to HUD, FHA has developed NPDMS. NPDMS will serve as a new means for industry clients to apply to the program and submit program data required by FHA.

The NPDMS will collect, store and provide web-based access to participants' application and property activity data. The system will enhance FHA's ability to manage an organization's program activities from initial application/re-certification through the entire life cycle of program activities. Additionally, NPDMS will enable nonprofit users to submit required property reports on-line.

Effective Date

- Effective immediately after the date of this publication, organizations participating in OSFH programs will be required to use NPDMS to initiate and manage their FHA activities. Participants will be required to submit and re-certify applications on-line using NPDMS. Additionally, participants will be required to use NPDMS to submit individual property reports.

Policy Update

The program policy requirements for organizations participating in FHA's nonprofit activities are outlined in Mortgage Letters 2002-01, 2000-08 and 2001-30. Mortgage Letters 2002-01 and 2000-08 provide policy guidance for application and re-certification requirements and Mortgage Letter 2001-30 provides the guidance for allowed and disallowed costs for performing Net Development Cost calculations. The substance of these program policy requirements will not change with the implementation of NPDMS. The implementation of NPDMS will only change the process by which required information is submitted to FHA.

Mortgage Letter 2002-01 requires all approved nonprofits, nonprofit instrumentalities of government and government entities that purchase HUD homes at a discount of 10% or higher to submit to the Program Support Division an annual report which contains an account of all HUD Home purchases and resale activities. Reporting this activity data will continue to be a requirement with the use of NPDMS. However, this Mortgage Letter changes the way the information is to be submitted and requires data previously gathered in the annual reports be submitted electronically through the NPDMS. NPDMS eliminates the need for submitting a summary annual report that lists all the properties acquired by the participating organization and replaces the annual reporting requirement with a property-specific reporting method. The participating organization will submit data for each property acquired from HUD using the Properties Tab in NPDMS. Data for each property's Net Development Costs and Homebuyer demographics will be input into the NPDMS by the participating organization. The NPDMS will aggregate all the properties in a reportable summary format.

This Mortgage Letter also changes the reporting time frames and eliminates the February due date for annual reports. Net Development Cost data outlined in Mortgage Letter 2001-30, and subsequent homebuyer data, are now required to be input into the NPDMS by the participating organization **no later than 60 days after the resale of a property** to a subsequent homebuyer. Please be advised that all supporting documentation for the net development costs entered into the system (invoices, copies of cancelled checks, work write-ups, etc.), must be uploaded for each property. The participating organization will need to first scan these documents and then upload the electronic file into the system. The participating organization should send an e-mail to the appropriate HOC, Program Support Division (PSD), notifying them when a property is ready for review. Properties are ready for review once all data has been entered and supporting documentation has been uploaded.

Password, Log-on and Re-certification Instructions for HUD-Approved Nonprofits and Nonprofit Instrumentalities of Government

- Organizations currently approved by HUD to participate in FHA Single Family activities must obtain a password and user id from HUD to access the system. Passwords can be obtained by sending a request for a password and user id via e-mail to the designated Homeownership Center, Program Support Division for which the organization does business. Organizations can obtain contact information for the appropriate HOC, Program Support Staff on the HUD website via http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm. After receiving the e-mail, PSD staff will contact the NPDMS Helpdesk and request that a password and user id be issued to the organization's approved users.

The NPDMS Helpdesk staff will contact the approved user (s) to issue the newly assigned password and user id. Passwords and user ids are issued to individual authorized users only. Only the individuals that have been identified as approved users by their organization will be issued passwords and user ids. Approved users should not share his/her assigned password or user id.

- After obtaining a password and user ID, users can access NPDMS by logging on at: <http://support.yardi.com/hudacanp.asp> .
- Upon logging onto the system, organizations must review their organization's data currently stored in NPDMS to validate the accuracy of the information. Organizations should also review their property inventory information and report any discrepancies to their appropriate HOC.
- After the effective date of this Mortgagee Letter, HUD approved organizations will be required to use NPDMS to re-certify for program approval and submit individual property reports. To re-certify using NPDMS, organizations should submit an e-mail to their designated HOC, Program Support Division (PSD) stating their intent to re-certify and then the organization may upload their re-certification application using the *Add Document* function. Organizations are required to re-certify every two years from their date of initial approval.

Password, Log-on and Application Instructions for New Nonprofits and Nonprofit Instrumentalities of Government interested in becoming HUD-approved

- New organizations interested in becoming HUD approved to participate in FHA Single Family activities should submit an e-mail to the appropriate HOC, Program Support Division (PSD), stating that they wish to apply and include the following information: organization's legal name, address, executive director's name and contact information (phone number and e-mail address) and the name (s) and contact information for organizational staff that will be approved user(s) of NPDMS. Additionally the e-mail should indicate whether the organization is a nonprofit or instrumentality of government, the date of their 501 (C)(3) determination letter and whether the organization has a minimum of two years, within the last five years, of housing development experience. Housing development experience is defined as acquisition, rehabilitation, and sale to low-to-moderate income persons. Applicants can obtain contact information for the appropriate HOC, Program Support Staff on the HUD website via http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm. If the organization meets the minimum requirements, PSD staff will contact the NPDMS Helpdesk to request that the organization be established in the system and request that a password and user id be issued to the organization's approved users.

The NPDMS Helpdesk will contact the organization's approved user(s) and provide him/her with the newly assigned password and user id. Passwords and user ids are issued to individual authorized users only. Only the individuals that have been identified as approved users by their organization will be issued passwords and user ids. Approved users should not share his/her assigned password or user id.

- After obtaining a password and user ID, the users can access NPDMS by logging on at: <http://support.yardi.com/hudacanp.asp> .
- Upon logging onto the system, organizations must review the basic agency contact information that was entered into NPDMS by the Helpdesk to validate the accuracy of the data. The organization should review information such as agency contacts, mailing address, email address and report any discrepancies to their appropriate HOC. Once the applicant has verified that the basic contact information is correct, the applicant may then upload their application into NPDMS.

Password, Log-on and Registration Instructions for Government Entities

- Although Government Entities do not require HUD approval to participate in FHA activities, HUD is now requiring participating Government Entities to register in NPDMS to document their program participation and file any required reports electronically.
- Government Entities must obtain a password and user id to access the NPDMS system. Passwords can be obtained by sending an e-mail to the designated Homeownership Center, Program Support Division in which the entity does business. The e-mail should include the Government Entity's legal name, address, director's name and contact information (phone number and e-mail address) and the name (s) and contact information for agency staff that will be approved user(s) of NPDMS. The e-mail should also include a statement indicating that the agency will be participating in FHA activities. Government Entities can obtain contact information for the appropriate HOC, Program Support Staff on the HUD website via http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm. PSD staff will contact the NPDMS Helpdesk to request that the Government Entity's approved user be issued a password and user id.

The NPDMS Helpdesk will contact the Government Entity's user(s) and provide him/her with a password and user id. Passwords and user ids are issued to individual authorized users only. Only the individuals that have been identified as the approved users by their agency will be issued passwords and user ids. Approved users should not share his/her assigned password or user id.

- After obtaining a password and user id, users can access NPDMS by logging on at: <http://support.yardi.com/hudacanp.asp> .
- After the effective date of this Mortgagee Letter, government entities will be required to use NPDMS to submit individual property reports as indicated above in the Policy Update Section.

Technical Assistance and System Requirements:

- For technical assistance, a user manual can be found at <http://support.yardi.com/hudacanp.asp> and the NPDMS Help Desk can be accessed via email at: hudhelp@yardi.com, or by calling (805) 699-2053. When requesting assistance by email, please include a phone number in your message where you can be reached. Current

Help Desk hours are Monday – Friday 8am – 6pm Eastern excluding federal holidays. There are also training videos available on-line.

- NPDMS is designed to run on computers using Microsoft Internet Explorer 6.0 or greater, with screen resolutions of 1024 x 768, and with pop-up blockers disabled. NPDMS will be available twenty-four hours a day, seven days a week except during periodic maintenance.

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If you have any questions regarding this Mortgagee Letter, please call 1-800-CALL-FHA. Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

David H. Stevens
Assistant Secretary for Housing-
Federal Housing Commissioner