

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


ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

March 8, 2010

MORTGAGEE LETTER 2010-09

TO: ALL APPROVED MORTGAGEES

ATTENTION: SINGLE FAMILY SERVICING MANAGERS

SUBJECT: Tier Ranking Scores – Incentive Round 38

This Mortgagee Letter announces the FHA servicing lenders' Tier Ranking Scores for Round 38. They were calculated using established criteria for HUD's Tier Ranking System (TRS), based on activity during the Performance Period from October 1, 2008 through September 30, 2009. Tier Ranking Scores determine if a lender is eligible for additional incentives for calendar year 2010.

Lenders ranked in Tier 1 during this round are eligible for the following additional loss mitigation incentives during calendar year 2010. There are no additional incentives provided for non-Tier 1 lenders.

1. An additional \$100 payment for each Special Forbearance Agreement executed on or after January 1, 2010. All non-Tier I lenders will continue to be eligible for the standard incentive payment of \$100;
2. An automatic (i.e., HUD's written approval is not required) extension of two additional months to continue to market their properties being sold via Preforeclosure Sale for a total of six (6) months. All non-Tier I lenders will continue to have the standard four (4) month period to market properties being sold under a Preforeclosure Sale; and,
3. An increase in the reimbursement of foreclosure costs from two thirds to 75% for Part B claims received by HUD on or after January 1, 2009, for loans endorsed on or after February 1, 1998. All non-Tier I lenders shall continue to receive the standard reimbursement of two thirds (2/3) of foreclosure costs regardless of the date of the loan is endorsed for insurance.

HUD will continue to provide Tier Ranking Scores quarterly with eligibility for performance incentives determined on an annual basis, using Tier Ranking Scores provided at the end of each fiscal year. Tier Ranking Scores represent lenders' Loss Mitigation (LM) efforts as compared to foreclosure claims paid during the aforementioned Performance Period using the formula:

$$\frac{\text{Forbearances} + \text{LM Retention Claims} + \text{PFSs} + \text{DILs} + \text{ACDs}}{\text{Forbearances} + \text{LM Retention Claims} + \text{PFSs} + \text{DILs} + \text{ACDs} + \text{Foreclosures}}$$

Events' Key: *LM Retention Claims = Special Forbearance + Mortgage Modification + Partial Claim*

PFSs = Preforeclosure Sales

DILs = Deeds in Lieu

ACDs = Accelerated Claims Disposition

For the fiscal year ending September 30, 2009, Tier 1 Lenders had a workout ratio greater than or equal to 80 percent. A listing of all Tier 1 Lenders for this period is attached. Additional information on FHA's TRS via the following website:

www.hud.gov/offices/hsg/sfh/nsc/trsovrw.cfm.

If there are any questions or comments regarding the tier ranking scoring process, please send them via e-mail to: sfdatarequests@hud.gov. All other questions regarding this Mortgagee Letter may be directed to HUD's National Servicing Center (NSC) at 888-297-8685 or hsg-lossmit@hud.gov. 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

[Attachment](#)

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