



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

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

April 15, 2011

Mortgagee Letter 2011-17

To: **ALL APPROVED MORTGAGEES**

Subject Use of HUD/FHA Logo, Name and Acronym in Advertising

**Purpose of
this
Mortgagee
Letter**

This Mortgagee Letter communicates requirements to mortgagees regarding the use of the official logos, names and acronyms of the U.S. Department of Housing and Urban Development (HUD or the Department) and the Federal Housing Administration (FHA) within devices used to advertise or promote the business products or operations of FHA-approved mortgagees. For the purposes of this Mortgagee Letter, a "Device" constitutes a channel or instrument for soliciting, promoting or advertising FHA products or programs.

Under §§ 202 and 536 of the National Housing Act (NHA), HUD may impose sanctions, including civil money penalties, for misuse of the terms "Federal Housing Administration," "Department of Housing and Urban Development," "Government National Mortgage Association," "Ginnie Mae," the acronyms "HUD," "FHA," or "GNMA," or any official seal or logo of the Department of Housing and Urban Development. The Department has determined that Devices using the HUD and the FHA seals, logos, and acronyms are present in the entire range of electronic and print media utilized by FHA-approved mortgagees, including but not limited to websites, website addresses, business names, aliases, Doing Business As (d/b/a) names, domain names, email addresses, direct mail advertisements, solicitations, promotional materials and correspondence.

The changes and clarifications outlined below are necessary to ensure that consumers, current homeowners, and potential homebuyers are properly informed of the authorship of advertisements that promote FHA products and are not misled to believe that the service or product being advertised is HUD or FHA-approved or endorsed.

Effective Date Except as otherwise stated, all requirements contained in this Mortgagee Letter are effective 30 days from the date of its publication.

**Information
Collection
Requirements** The information collection requirements contained in this document are pending approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and will be assigned an OMB control number once it has been approved. In accordance

with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Affected Topics

HUD Handbook 4060.1, REV-2, Sections 2-4, 2-17, and 7-8(I)

This letter revises HUD's requirements on Mortgagee Name and Misrepresentative Advertising in Paragraphs 2-4, 2-17, and 7-8(I) of Handbook 4060.1 REV-2, and clarifies the Department's position on the use of the HUD and FHA seals or logos, and HUD and FHA acronyms.

Use of FHA Logos

FHA-approved mortgagees may display the official FHA Approved Lending Institution logos (Exhibit A) on a Device for the purpose of describing and illustrating to the public the types of loan products offered by the mortgagee. When displayed by a FHA-approved mortgagee for this purpose, the FHA Approved Lending Institution logo must be displayed in a discreet manner. Use of the FHA Approved Lending Institution logo(s) must, in each instance, be accompanied by a conspicuous disclaimer that clearly informs the public that the mortgagee authoring the Device is not acting on behalf of or at the direction of HUD/FHA or the Federal government. The disclaimer should be prominently displayed in a location proximate to where the FHA Approved Lending Institution logo(s) is displayed. The Device, when taken as a whole, shall emphasize the HUD-registered business name, alias or d/b/a of the mortgagee and not the Federal government, and the Device shall be written, formatted and structured in a manner which clearly identifies the mortgagee as the sole author and originator of the Device. Specifically, the Device should reflect the mortgagee's name, location and appropriate contact information. FHA-approved mortgagees are strictly prohibited from displaying the official FHA Approved Lending Institution logo(s) in a location or manner within a Device that creates the false impression that the Device is an official government form, notice or document or that otherwise conveys the false impression that the Device is authored, approved, or endorsed by the Department or FHA. Furthermore, alteration or modification of the FHA Approved Lending Institution logo(s) is strictly prohibited. Non-approved mortgagees, including Third Party Originators, are prohibited from using the official FHA Approved Lending Institution logo(s) on any Device. Moreover, use of the FHA logo is strictly prohibited. No person, party, company, or firm, including FHA-approved mortgagees, may use the FHA logo.

Use of HUD Seal

FHA-approved mortgagees, non FHA-approved mortgagees and Third Party Originators are not permitted to display the official HUD seal (Exhibit B) or any other insignia that imitates an official Federal seal on any Device.

Use of HUD/FHA Names and Acronyms

FHA-approved mortgagees may not purport or imply that as a result of their approval to participate in FHA programs that their business products or services are coming directly from HUD or FHA. The use of the words “federal,” “government,” “national,” “U.S. Department of Housing and Urban Development,” “Federal Housing Administration,” and/or the letters “HUD” or “FHA” either alone or with other words or letters, by an FHA-approved mortgagee, non-approved mortgagee or Third Party Originator in a manner that falsely represents that the mortgagee’s business services or products originate from HUD, FHA, the Government of the United States, or any Federal, State or local government agency is strictly prohibited. All business names, aliases, and d/b/a used by FHA-approved mortgagees must be registered with the Secretary.

Retention of Advertisement Materials

To ensure compliance with the guidance outlined in this Mortgage Letter, the Department requires mortgagees to retain copies of any Device they produce that is related to FHA programs for a period of two years from the date that the Device is circulated or used by the mortgagee for advertisement, educational, or promotional purposes. Copies of Devices related to FHA programs may be kept in either electronic or print format and are to be provided to HUD upon request. FHA-approved mortgagees are also responsible for ensuring that any advertisements or promotional materials issued by the mortgagee that are in circulation beyond this period are in compliance with this Mortgage Letter, HUD program requirements and Federal regulations.

Effect on Sponsored Third Party Originators

Effective 30 days from the date of this Mortgage Letter’s publication loan correspondents previously approved by FHA shall be prohibited from displaying the FHA Approved Lending Institution logo(s) on any Device. No previously FHA-approved loan correspondent, nor any Third Party Originator sponsored by an FHA-approved mortgagee, shall engage in any activity or author or distribute any Device that falsely advertises, represents or otherwise conveys the impression that the company’s business operations, products or services either originate from or are expressly endorsed by the Department or FHA.

**Quality
Control
And
Corrective
Action**

Approved mortgagees must ensure that they take prompt corrective action upon discovering any violation of advertising requirements described in this ML. This includes advertising abuses by employees of the approved mortgagee, and any violations committed by employees of non-approved mortgagees, Third Party Originators, marketing firms or companies that advertise or generate borrower leads or other business on behalf of the approved mortgagee. Approved mortgagees must include a process for reviewing all advertisements generated by or on behalf of their company for compliance with Departmental advertising requirements as part of their Quality Control Plan.

**Penalties
For
Non-
Compliance**

Failure to follow HUD/FHA requirements as outlined in this Mortgagee Letter may result in sanctions, including civil money penalties or administrative action against any person, party, company, firm, partnership or business, including non FHA-approved institutions and individuals.

Questions

If you have questions concerning this Mortgagee Letter, please call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Signature

Robert C. Ryan

Acting Assistant Secretary for Housing-
Federal Housing Commissioner

Exhibit A



Exhibit B

