

CHAPTER 1. GENERAL

1-1 Purpose. The Assignment Program offers qualified borrowers an opportunity to avoid foreclosure and retain their homes.

A. Eligible mortgages are those insured by the Federal Housing Administration (FHA) which meet criteria described in Chapter 2.

B. Each assignment request must be evaluated thoroughly and objectively, following the eligibility criteria established by statute and regulation.

1-2 Use the instructions in this Handbook to evaluate requests for assignment consideration.

A. Chapters 1 through 10 define assignment processing steps for lenders and HUD Field Offices.

1. Chapter 1 identifies the Delegation of Authority for HUD Field Offices.

2. Chapter 2 defines and interprets assignment criteria.

3. Chapter 3 explains the initial application process which must be followed by all lenders who hold or service FHA-insured mortgages and provides guidance concerning housing counseling agencies.

4. Chapter 4 explains the lender and Field Office requirements for assignment requests under Scenario 1 (applications directly to lender).

5. Chapter 5 explains the lender and Field Office requirements for assignment requests under Scenario 2 (when lender cannot accept).

6. Chapter 6 explains the lender and Field Office requirements for assignment requests under Scenario 3 (applications directly to HUD).

7. Chapter 7 explains the assignment decision notification process for Field offices.

8. Chapter 8 explains detailed procedures for the Field Offices on the appeal process for borrowers.

9. Chapter 9 discusses general guidelines which must be followed by lenders and Field Offices when processing assignment requests including processing cases in bankruptcy.

10. Chapter 10 gives Field Offices instructions on how to set-up and maintain case files for assignment requests.

B. Unless otherwise stated, Field offices and lenders must use mandatory forms and language in letters as provided in this Handbook.

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1. Appendix A contains mandatory letters used in the application process.

2. Appendix B contains HUD forms which must be used to evaluate assignment requests.

3. Appendix C contains case studies which give direction on interpretation of eligibility criteria. The case studies are to be used only as a guide. Each case must be evaluated on its own merits.

4. Appendix D contains a flow chart of each scenario.

5. Appendix E is a list of Government Printing Office (GPO) bookstores where program forms, the pamphlet and flyer may be purchased.

### 1-3 Authorities and Responsibilities

#### A. Authorities

1. Authority for the Assignment Program comes from the Assistant Secretary for Housing-Federal Housing Commissioner to the Director of Housing in Category AA Offices. In category A-C offices, the authority comes from the Assistant Secretary for Housing-Federal Housing Commissioner through the DAS for Single Family Housing to the Director, Single Family Housing Division. Category D offices see 1-3C below.

#### B. Redelegations of Authority to Field Offices

1. Headquarters publishes redelegations of authority to the field in the Federal Register and immediately notifies the Field offices.

2. Operating guidance such as this Handbook, explains the redelegations. Applicable redelegations and their limitations are discussed below.

C. Assignment Decisions. All assignment decisions are made by the Director of Housing (Category AA Offices) or the Director, Single Family Housing Division (Category A-C Offices). Category D offices report to the Director, Single Family Housing Division in the offices shown in parentheses:

Category D Offices:

Bangor, ME (Manchester, NH)  
Burlington, VT (Manchester, NH)  
Wilmington, DE (Philadelphia, PA)  
Springfield, IL (Chicago, ILL)  
Casper, WY (Denver, CO)  
Fargo, ND (Denver, CO)  
Sioux Falls, SD (Denver, CO)

D. Authority to Further Redelegate. The authority redelegated above may be further redelegated in writing by the appropriate Field Office staff to other Field Office staff so as to maximize office efficiency.

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E. Headquarters Oversight. Headquarters program staff in the Office of Insured Single Family Housing, Single Family Servicing Division, monitor the evaluation of assignment requests. Although final approval for individual assignment requests rests with the Field Office, Headquarters program staff assures that evaluations of assignment requests comply with regulatory and Handbook requirements.

F. Office of General Counsel Support Services. Staff attorney-advisors represent OGC in the field. Contact them about legal issues specific to local jurisdictions. The Assistant General Counsel Home Mortgage Insurance in Headquarters answers questions that the local field attorneys cannot answer.

1-4 Quotas. Field Office staff are NOT required to accept or reject a minimum or maximum number of mortgages for assignment under this program.

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