1. This transmits Handbook 4330.2 Rev-2, "Mortgage Assignment Processing."

2. This Handbook contains Chapters 1 through 10. Remove Chapters 1 through 4 of Handbook 4330.2 Rev-1, "Mortgage Assignment Processing and Secretary-Held Servicing" dated 3/20/91. Insert attached 4330.2 Rev-2, dated 3/95, Chapters 1 through 10.

3. Handbook 4335.2 Rev-2, "Secretary-Held Servicing" will be issued soon which will contain Chapters 5 through 10 of the current Handbook 4330.2 Rev-1, dated 3/20/91, renumbered as Chapters 1 through 6. Until that Handbook is issued, 4330.2 Rev-1, dated 3/20/91, Chapters 5 through 10 still apply.

4. Handbook 4330.1 Rev-5, "Administration of Insured Home Mortgages" will be updated at a later date. In the interim, Handbook 4330.2 Rev-2 supersedes any conflicting requirements. For example, the cover letter transmitting pamphlet HUD PA-426H is superseded by letter Appendix A, ASGN-1 of this Handbook.

5. Explanation:

This revision contains the improved Assignment Program Application Process guidelines.

The following are the significant changes:

(1) Borrowers are encouraged to apply to lenders for assignment consideration.

(2) Lenders process assignment requests and make recommendations to HUD to accept assignment of mortgages on behalf of borrowers who meet the program criteria.

(3) Borrowers may apply for and have their assignment requests processed during bankruptcy.

(4) There are three (3) scenarios for processing assignment requests.
(5) All letters and forms have been revised. Effective June 1, 1995, destroy all Assignment Program forms currently in use and obtain form HUD-92004-G dated 12/90 and all other program forms dated 3/95. Previous versions must not be used until the supply on hand is depleted.

(6) Interpretation of criteria and information with respect to acceptable documentation have been expanded to ensure consistency in applying criteria.

(7) Credit reports purchased by HUD may now be shown to the borrower or copied and provided to a borrower as part of their assignment file.

6. Filing Instructions:

Remove: Handbook 4330.2 Rev-1, Chapters 1 through 4, dated 3/20/91

Insert: Handbook 4330.2, Rev-2 dated 3/95

Assistant Secretary for Housing
Federal Housing Commissioner

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U.S. Department of Housing and Urban Development
OFFICE OF HOUSING

Departmental Staff

MORTGAGE

ASSIGNMENT

PROCESSING

HSISI: Distribution: W-3-1, W-2 (ADM) (OGC) (Z) (H)
(PD&R), W-3 (H) (ZA00) (OGC) (PD&R), W-4 (H), R-1, R-2, R-3, R-3-1 (H), R-3-2, R-3-3, R-6, R-6-1, R-6-2, R-7, R-7-1, R-7-2, Participating Mortgagees