

U.S. Department of Housing and Urban Development

HOUSING

Special Attention of: Regional Administrators
-Regional Housing Commissioners,
Directors of Housing, Managers,
Directors of Housing Management Divisions,
Loan Management Branch Chiefs, Single
Family Secretary-Held Mortgage Staff Members.

Transmittal Handbook No.:
4335.2 REV.

Issued: September 26, 1986

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1. This Transmits Handbook 4335.2 REV., Secretary-Held Servicing Handbook, Chapters 1-8.
 2. Explanation of Materials Transmitted: This Handbook represents a thorough rewrite of the basic instructions used in the servicing of Single Family Secretary-held mortgages. It incorporates supplemental issuances which were meant to clarify policy in this fast-growing area since the issuance of the original handbook in 1969.

While much of the Secretary-held mortgage portfolio is represented by what the private sector would define as exceptional cases, we have attempted to structure the Handbook so that it addresses "normal" mortgage servicing first and progresses towards those areas of special concern.

Chapters 1 and 2 introduce the servicer to the Handbook; define responsibilities; and, speak to the characteristics of the portfolio.

Chapter 3 deals with those "routine" matters which any mortgagee would need to address in dealing with its portfolio. It presents those procedures which are the Department's way of addressing generic issues.

Chapters 4, 5, and 6 are designed to define the sequential approach towards dealing first with the delinquent mortgage and then, if problems cannot be rectified, with foreclosure and bankruptcy.

Chapter 7 is reserved for Section 235 Recapture Mortgages. This Chapter will be issued at a later date. Meanwhile, the instructions included in Attachment A to the January 6, 1986, Redelelegation of Authority apply.

Chapter 8 addresses the issue of servicing mortgages with "Buy-down" agreements.

Each of the chapters are, for the most part, designed to stand alone. Within each are incorporated necessary supplements in the form of Exhibits. This, it is hoped, will facilitate more rapid amendment of the procedures as it becomes necessary.

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3. An Invitation to Participate. The dynamics of mortgage servicing are such that changes to this Handbook will be

needed. We believe that the "front line" users of this Handbook can offer valued guidance, based on experience, needed for future revisions. Please provide the Director, Single Family Servicing Division (HSSL), with any recommendations.

4. Filing Instructions. This Handbook supercedes earlier editions of the same number.

General Deputy Assistant Secretary
for Housing-Federal Housing Commissioner

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