

Distribution Date: March 16, 2012

Two Notices for FHA Lenders; Mortgagee Letter 2012-06 / \$42M in HUD Housing Counseling Grants/ Colorado Loan Modification Scam Alert Summit

Two Notices for FHA Lenders:

1. Suspension of the Section 238 (c), Mortgage Insurance (Homes for Military Impacted Areas):

This message serves as a reminder to Mortgagees. The Section 238(c), Mortgage Insurance (Homes for Military Impacted Areas) is suspended effective March 20, 2012. All closed loans and any loans in the pipeline must be endorsed on or before March 19, 2012. An extension of the program to allow for processing loans in the pipeline and endorsing closed loans after March 19, 2012 cannot be considered due to budgetary and regulatory constraints.

Mortgagees with Lender Insurance (LI) authority are also reminded of the statutory limitations related to the Section 238(c), Mortgage Insurance (Homes for Military Impacted Areas) program. Borrowers that meet the eligibility requirements of a section 203(b) loan ARE NOT eligible for a loan under the Section 238(c), Mortgage Insurance (Homes for Military Impacted Areas) program. The Federal Housing Administration will require indemnification from LI mortgagees that endorse eligible loans after March 19, 2012, and loans ineligible under the Section 238(c) program.

2. Revised FHA TOTAL Mortgage Scorecard Developer's Guide:

A revised version of the FHA TOTAL Mortgage Scorecard Developer's Guide has been released. The FHA TOTAL Mortgage Scorecard Developer's Guide may be accessed using the following link:
<http://www.hud.gov/pub/chums/aus-developers-guide.pdf>

For additional information on FHA's TOTAL Mortgage Scorecard, please go to:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/total/total_scorecard

For technical support on these, or any other FHA issue, please email: answers@hud.gov phone (800) CALL FHA, or visit <http://portal.hud.gov/hudportal/HUD?src=/FHFAQ>

AND

New FHA Mortgagee Letter:
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-8000
ASSISTANT SECRETARY FOR HOUSING FEDERAL HOUSING COMMISSIONER
March 16, 2012
Mortgagee Letter 2012 - 06

To All FHA-Approved Mortgagees, Single Family Servicing Managers

Subject: Changes to FHA's Occupied Conveyance Procedures

Purpose: The purpose of this Mortgagee Letter is to provide guidance regarding compliance with FHA's occupied conveyance procedures in light of the Protecting Tenants at Foreclosure Act of 2009 (PTFA) and state and local laws relating to tenant protections. As advised in a companion Federal Register Notice published on March 15, 2012, this Mortgagee Letter contains modified policies regarding PTFA...

To read this mortgagee letter in its entirety please visit:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

AND

HUD Announces More Than 42 Million in Counseling Grants to Help Families Find and Keep Housing: HUD funding critical to support hundreds of counseling agencies nationwide:

As part of its continuing effort to help families find decent housing and to prevent future foreclosures, the U.S. Department of Housing and Urban Development (HUD) today announced more than \$42 million in housing counseling grants to 468 national, regional and local organizations. As a result of this funding, hundreds of thousands of households will have a greater opportunity to find housing or keep their current homes...

Read the entire press release and also read detailed summaries of grant awards at:

http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2012/HUDNo.12-055

AND

Colorado Loan Modification Scam Alert Summit:

April 11, 2012 - Denver, CO. Colorado Loan Modification Scam Alert Summit. Sponsored by The Federal Reserve Bank of Kansas City, Denver Branch in partnership with the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency and NeighborWorks America. The summit is designed to inform and educate community leaders about modification scams occurring in the state of Colorado and how to avoid them. Due to space and security considerations, pre-registration is required. Note that a government issued photo I.D. (example: Drivers License) is required in order to access the building. Please RSVP for the summit by April 4, 2012. To register, please click on the following link:

<http://www.kansascityfed.org/events/eventdetail.cfm?event=63311B318AA0966FDA58D6EA7074F1C0>