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Information from FHA's Office of Lender Activities and Program Compliance

Lender Insight

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What's Trending

FHA LENDER RECERTIFICATION IS IN PEAK SEASON:

Over 75% of FHA lenders are in the process of completing the annual renewal. As a result, the Lender Electronic Assessment Portal (LEAP) is experiencing its highest utilization levels since implementation and we are diligently working to ensure a smooth operation for our Lender community. However, due to this surge in volume of application usage, we anticipate some delay in system response.

Here are some of the current LEAP issues and the actions we're asking you to take:

- ✓ Accessing LEAP — Occasionally, first-time lender users and IPAs encounter failures in accessing LEAP. We recommend that users try to access the system during non-peak business hours. It is important to note that LEAP can be accessed using **only** the following web browsers: Google Chrome, Fire Fox, and Internet Explorers 8, 9, and 10.
- ✓ Pay.gov — LEAP has experienced intermittent problems with its Treasury pay.gov interface. If your payment transaction continues to fail after three or more attempts, please contact the FHA Resource Center. If the payment transaction only appeared to be unsuccessful



and your account was debited, please be prepared to provide a copy of the bank statement that reflects the payment when you contact the FHA Resource Center.

- ✓ Document Upload — It has been determined that the 250 character limitation on the comment fields within LEAP are impacting the document upload functionality. We will be implementing a fix. However, until that time, users should simply upload a document with all comments and type "see attached" in the comment field.

For assistance with any lender recertification or LEAP matter, please contact the FHA Resource Center. We are collecting and analyzing the data to identify and correct operational issues. In order for us to troubleshoot your issue as quickly as possible, it is helpful if you are able to provide the following information:

- A screen shot of the error message
- The approximate time the error occurred
- The web browser used

The FHA Resource Center is here to help!

Contact us at:

Phone: **1-800-CALL-FHA (225-5342)**

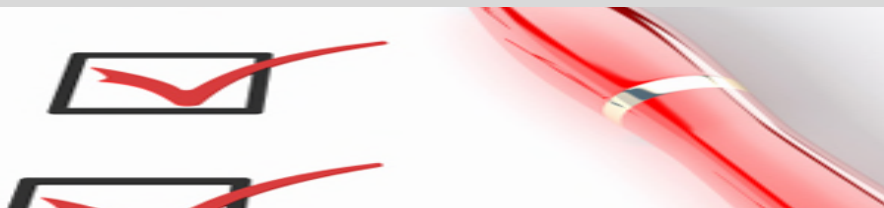
TTY: **1-800-877-8339**

Email: answers@hud.gov

For more information, please visit our FHA Lender page at www.hud.gov/lenders and our online FAQ site at www.hud.gov/answers

Did You Know >>>

- ◇ It is important to have an Administrative Contact information in LEAP, including a current business (street) address, phone number and email address. The Administrative Contact receives direct communications from HUD offices, so it's necessary to identify a person that we can contact directly, not a general phone number or email box.
- ◇ FHA-approved lenders are required to notify HUD of *any* business changes, to include changes to address, corporate officers, and administrative contacts.
- ◇ A notice of deficiency will be issued if you have not **completed all parts** of the annual recertification process (i.e. the annual certification, recertification fee and financial data submission). FHA requires that annual recertification is completed within 90 days of your fiscal year end. However, the notice of deficiency is not an administrative sanction and does not prevent the lender from completing the remaining steps of the outstanding recertification package. Additionally, the notice of deficiency does not prevent the lender from completing other business transactions with FHA (i.e., adding branches, retrieving case numbers, or any other processes).



Notice of Violation >>>



A written response is required within thirty days of receipt of a Notice of Violation from the Mortgagee Review Board (MRB or Board). The Notice of Violation provides the necessary information for your submission of the response. The written response is received and analyzed by Board staff and other offices within HUD for the express purpose of forming recommendations to be made to the Board. The recommendations take into account several factors, including but not limited to the precedence of similar violations, the history of the lender, its ability to pay, as well as the documentation and explanations provided in the written response. Prior to a case being presented to the Board for administrative action, the lender and its counsel may be provided the opportunity to meet with Board staff and Counsel to discuss the violations and the proposed Board staff recommendations. A Board decision may result in civil money penalties, indemnifications, a letter of reprimand, suspension, probation, or withdrawal of FHA approval. In all cases that go before the Board, the lender has 30 days to appeal the Board decision. If an appeal is filed within this timeframe, a de novo hearing is held before an Administrative law judge. If the lender does not appeal, or after appeal, if the Board decision is upheld by the judge, the final agency outcome is published in the Federal Register, as proscribed by statute.

Authority to Certify >>>

Registered corporate officers must be granted "Certifying Official" authority in the FHA Connection in order to complete the Annual Certification. This authority is not automatically granted to corporate officers. Your FHA Connection Application Coordinator has the ability to input into FHAC the designated corporate officials. A maximum of three corporate officers may be designated as certifying officials.

