

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**
[Docket No. FR-4513-N-06]
Credit Watch Termination Initiative

AGENCY: Office of Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: This notice advises of the cause and effect of termination of Origination Approval Agreements taken by HUD's Federal Housing Administration against HUD-approved mortgagees through its Credit Watch Termination Initiative. This notice includes a list of mortgagees which have had their Origination Approval Agreements (Agreements) terminated.

FOR FURTHER INFORMATION CONTACT: The Quality Assurance Division, Office of Housing, Department of Housing and Urban Development, 451 Seventh St., SW, room B133-P3214, Washington, DC 20410; telephone (202) 708-2830 (this is not a toll free number). Persons with hearing or speech impairments may access that number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

HUD has the authority to address deficiencies in the performance of lenders' loans as provided in the HUD mortgage approval regulations at 24 CFR 202.3. On May 17, 1999 (64 FR 26769), HUD published a notice on its procedures for terminating origination approval agreements with FHA lenders and placement of FHA lenders on Credit Watch status (an evaluation period). In the May 17, 1999 notice, HUD advised that it would publish in the **Federal Register** a list of mortgagees which have had their Origination Approval Agreements terminated.

Termination of Origination Approval Agreement

Approval of mortgagee by HUD/FHA to participate in FHA mortgage insurance programs includes an

Agreement between HUD and the mortgagee. Under the Agreement, the mortgagee is authorized to originate single family mortgage loans and submit them to FHA for insurance endorsement. The Agreement may be terminated on the basis of poor performance of FHA-insured mortgage loans originated by the mortgagee. The Termination of a mortgagee's Agreement is separate and apart from any action taken by HUD's Mortgagee Review Board under HUD's regulations at 24 CFR part 25.

Cause

HUD's regulations permit HUD to terminate the Agreement with any mortgagee having a default and claim rate for loans endorsed within the preceding 24 months that exceeds 200 percent of the default and claim rate within the geographic area served by a HUD field office, and also exceeds the national default and claim rate. For the fifth review period, HUD is only terminating the Agreement of mortgagees whose default and claim rate exceeds both the national rate and 300 percent of the field office rate.

Effect

Termination of the Agreement precludes that branch(s) of the mortgagee from originating FHA-insured single family mortgages within the area of the HUD field office(s) listed in this notice. Mortgagees authorized to purchase, hold, or service FHA insured mortgages may continue to do so.

Loans that closed or were approved before the Termination became effective may be submitted for insurance endorsement. Approved loans are: (1) Those already underwritten and approved by a Direct Endorsement (DE) underwriter employed by an unconditionally approved DE lender; and (2) cases covered by a firm commitment issued by HUD. Cases at earlier stages of processing cannot be submitted for insurance by the terminated branch; however, they may be transferred for completion of processing and underwriting to another

mortgagee or branch authorized to originate FHA insured mortgages in that area. Mortgagees are obligated to continue to pay existing insurance premiums and meet all other obligations associated with insured mortgages.

A terminated mortgagee may apply for a new Origination Approval Agreement if the mortgagee continues to be an approved mortgagee meeting the requirements of 24 CFR 202.5, 202.6, 202.7, 202.8 or 202.10 and 202.12, if there has been no Origination Approval Agreement for at least six months, and if the Secretary determines that the underlying causes for termination have been remedied. To enable the Secretary to ascertain whether the underlying causes for termination have been remedied, a mortgagee applying for a new Origination Approval Agreement must obtain an independent review of the terminated office's operations as well as its mortgagee production, specifically including the FHA-insured mortgages cited in its termination notice. This independent analysis shall identify the underlying cause for the mortgagee's high default and claim rate. The review must be conducted and issued by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as set forth by the General Accounting Office. The mortgagee must also submit a written corrective action plan to address each of the issues identified in the CPA's report, along with evidence that the plan has been implemented. The application for a new Agreement should be in the form of a letter, accompanied by the CPA's report and corrective action plan. The request should be sent to the Director, Office of Lender Activities and Program Compliance, 451 Seventh Street, SW., room B133-P3214, Washington, DC 20410 or by courier to 490 L'Enfant Plaza, East, SW., suite 3214, Washington, DC 20024.

Action

The following mortgagees have had their Agreements terminated by HUD:

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Home ownership centers
Carolina Home Mortgage Groups, Inc.	125 Executive Pointe Blvd., Columbia, SC 29210.	Columbia, SC	10/27/2000	Atlanta.
Heritage Mortgage, LLC	1926 North Lake Parkway, Suite 200, Tucker, GA 30084.	Atlanta, GA	10/27/2000	Atlanta.
Home Loan Mortgage Corp	21250 Boxsprings Rd. #105, Moreno Valley, CA 92557.	Santa Ana, CA	10/27/2000	Santa Ana.
Home Mortgage Company	1118 Main Street, Gardendale, AL 35071.	Birmingham, AL	10/26/2000	Atlanta.
D & D Funding, Inc	494 North Garfield Avenue, Montebello, CA 90640.	Los Angeles, CA	09/29/2000	Santa Ana.

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Home ownership centers
First Guaranty Mortgage	7833 Walker Drive, #510, Greenbelt, MD 20770.	Washington, DC	09/29/2000	Philadelphia.
Mortgage Capital Resource	10535 Foothill Blvd, Suite 460, Rancho Cucamonga, CA 91730.	Santa Ana, CA	09/29/2000	Santa Ana.
Ryans Express Equities	90 Merrick Avenue Ste 620, East Meadow, NY 11554.	New York, NY	09/29/2000	Philadelphia.

Dated: November 28, 2000.

William C. Apgar,

Assistant Secretary for Housing—Federal Housing Commissioner.

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

Notice of Intent To Issue a Final Comprehensive Conservation Plan, Associated Environmental Assessment, and Finding of No Significant Impact for Sevilleta National Wildlife Refuge in the Southwest Region

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice.

SUMMARY: This notice advises the public that the U.S. Fish and Wildlife Service (Service) has prepared a Final Comprehensive Conservation Plan (CCP), associated Environmental Assessment (EA), and a Finding of No Significant Impact (FONSI) for the Sevilleta Lake National Wildlife Refuge, San Acacia, New Mexico, pursuant to the National Wildlife Refuge System Improvement Act of 1997, and National Environmental Policy Act of 1969, and its implementing regulations. The Regional Director, Southwest Regional Office, upon issuing a FONSI, considered a reasonable range of management framework alternatives.

Approval of the Sevilleta NWR CCP formalizes 10 goals which will result in:

- The enhancement, preservation, and protection of threatened and endangered species as they occur naturally or were historically present on the Sevilleta NWR so that viable, self-sustaining populations can be restored to their natural habitats. (Goal 1)
- The restoration and maintenance of the natural diversity of plants and animals as it occurred historically on the Sevilleta NWR. (Goal 2)

• The fostering and encouragement of research from bonafide research institutions, the provision of an atmosphere conducive to investigations

into environmental processes on the refuge, and the assumption of pro-active role in facilitating research projects as they occur on the refuge. (Goal 3)

- The protection of existing, and acquisition of additional water rights and/or in-stream flow rights as necessary to protect the integrity of the riparian and aquatic habitats on the refuge. (Goal 4)

- The achievement of appropriate levels of public uses that are compatible with the purpose(s) for which the refuge was established and with the goals of the National Wildlife Refuge System; and the regulation of, as provided by law, all activities, uses, and practices that are potentially harmful to refuge resources. (Goal 5)

- The establishment of a formal program for public outreach, identification of important public resources, and implementation of environmental education programs accordingly. (Goal 6)

- The protection, maintenance, and monitoring of Service-managed cultural resources on Sevilleta NWR for the benefit of present and future generations. (Goal 7)

- The protection of existing lands associated with Sevilleta NWR for the benefit of fish and wildlife resources; the acquisition of additional lands; and the protection of the integrity of Refuge boundaries relative to adjacent lands. (Goal 8)

- The improvement of funding, facilities, and staffing that will result in enhancement of refuge habitat and wildlife resources, leading to the achievement of the goals of this plan and the goals of the National Wildlife Refuge System. (Goal 9)

- The strengthening of interagency and jurisdictional coordination on or near the Sevilleta NWR resulting in decisions benefiting fish and wildlife resources while avoiding duplication of effort. (Goal 10)

Some of the specific changes to the existing program changes include but are not necessarily limited to the following objectives:

- Continue implementation of the Mexican wolf captive propagation program on the refuge, and ensure

continued operation within all applicable regulations, protocols, and safety guidelines.

- Preserve refuge habitat diversity and threatened and endangered species habitats by preserving and restoring habitats to their natural condition. This may involve aggressive removal of non-native plants (e.g., salt cedar) and wildlife (e.g., oryx, Barbary sheep).

- Maintain a viable population of silvery minnows on the Rio Grande within the refuge.

- Provide up to 100 acres of additional cottonwood/willow habitat for the southwestern willow flycatcher.

- By the end of FY 2001 (September 30, 2001), assess the refuge's full wilderness attributes, and determine appropriate areas within the full spectrum of the refuge for study and designation as Wilderness Study Areas. Included will be the dedication of between 3,000 and 8,000 acres as the Ladron Wilderness Study Area.

- Evaluate refuge grasslands potential as an introduction site for the endangered northern Aplomado falcon.

- Protect threatened and endangered species on the refuge and adjacent properties through outreach, educational activities and effective enforcement of fish and wildlife laws.

- Promote and support the introduction of native threatened and endangered species on the refuge.

- Ensure the integrity of all naturally occurring biotic communities on the Sevilleta NWR.

- Maintain migratory bird populations at healthy levels in the Upper/Middle Rio Grande Ecosystem.

- Reverse declining trends in quality and quantity of riparian/wetland habitats; restore, maintain, and enhance the species composition, aerial extent, and spatial distribution of riparian/wetland habitats.

- Protect, restore, and maintain upland terrestrial communities at the landscape level within the Upper/Middle Rio Grande Ecosystem.

- Use sound land use practices and management tools to protect upland terrestrial habitats in the Upper/Middle Rio Grande Ecosystem.

- Preserve, enhance, and restore hydrological regimes to perpetuate a