

information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

This Notice also lists the following information:

*Title of Proposal:* Notice of Funding Availability for the Transformation Initiative: Homeless Families Small Grant Research Demonstration Program.

*OMB Control Number:* None.

*Description of the Need for the Information and Proposed Use:* The information is being collected to select applicants for award in this statutorily created competitive grant program and to monitor performance of grantees to ensure they meet statutory and program goals and requirements.

*Agency Form Numbers:* SF-424, SF-424 Supplemental, HUD-424-CB, SF-

LLL, HUD-2880, HUD-2993, HUD-96010 and HUD-96011.

*Members of the Affected Public:* Institutions of higher education accredited by a national or regional accrediting agency recognized by the U.S. Department of Education are the official applicants. *Estimation of the total number of hours needed to prepare the information collection including number of respondents, frequency of response, and hours of response:* Information pursuant to grant award will be submitted once a year. The following chart details the respondent burden on a quarterly and annual basis:

	Number of respondents	Total annual responses	Hours per response	Total hours
Applicants .....	15	15	35	525
Quarterly Reports .....	2	8	6	48
Final Reports .....	2	2	2	4
Recordkeeping .....	2	2	4	8
<b>Total .....</b>	<b>21</b>	<b>27</b>	<b>54</b>	<b>585</b>

*Status of the proposed information collection:* Pending OMB approval.

**Authority:** Section 3506 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: January 13, 2011.

**Raphael W. Bostic,**

*Assistant Secretary for Policy Development and Research.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR- 5411-N-07]

### Credit Watch Termination Initiative Termination of Origination Approval Agreements

**AGENCY:** Office of the 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 (FHA) against HUD-approved mortgagees through the FHA Credit Watch Termination Initiative. This notice includes a list of mortgagees which have had their Origination Approval Agreements terminated.

**FOR FURTHER INFORMATION CONTACT:** The Quality Assurance Division, Office of Housing, Department of Housing and Urban Development, 451 Seventh Street,

SW., Room B133-P3214, Washington, DC 20410-8000; telephone (202) 708-2830 (this is not a toll-free number). Persons with hearing or speech impairments may access that number through 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 HUD's mortgagee approval regulations at 24 CFR 202.3. On May 17, 1999 HUD published a notice (64 FR 26769), 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 a mortgagee by HUD/FHA to participate in FHA mortgage insurance programs includes an Origination Approval Agreement (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 45th review period, HUD is terminating the Agreement of mortgagees whose default and claim rate exceeds both the national rate and 200 percent of the field office rate.

*Effect:* Termination of the Agreement precludes branch(es) 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 those already underwritten and approved by a DE underwriter, and 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 FHA-insured mortgagee with direct endorsement approval for the area covered by the termination. 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 reinstatement of the Origination Approval Agreement if the approval for the affected branch or branches has been terminated for at least six months and the mortgagee continues to be an approved mortgagee meeting the requirements of 24 CFR 202.5, 202.6, 202.7, 202.8 and 202.12. However, Mortgagee Letter 2010-20 and Final Rule 5356-F-02 at 24 CFR 202 eliminates FHA approval for loan correspondents after December 31, 2010. Therefore, HUD will not accept requests for reinstatement from loan correspondents after that date. The

mortgagee's application for reinstatement must be in a format prescribed by the Secretary and signed by the mortgagee. In addition, the application must be accompanied by an independent analysis of the terminated office's operations as well as its mortgage 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 analysis must be prepared by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as provided by the Government Accountability 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 20410-8000 or by courier to 490 L'Enfant Plaza, East, SW., Suite 3214, Washington, DC 20024-8000.

**Action:** The following mortgagees have had their Origination Agreements terminated by HUD:

Mortgagee name	Mortgagee branch office address	HUD office jurisdictions	Termination effective date	Homeownership centers
Access Mortgage Services Inc .....	97 Main St., Ste 209, Woodbridge, NJ 07095	Newark .....	11/23/2010 ...	Philadelphia
Anchor Mortgage .....	6260 S Rainbow Blvd., Ste 100, Las Vegas, NV 89118.	Las Vegas ....	11/16/2010 ...	Santa Ana
Benefit Funding Corp .....	10724 Baltimore Ave., Beltsville, MD 20705 ....	Washington ..	11/15/2010 ...	Philadelphia
Birmingham Bancorp Mortgage Corp .....	6230 Orchard Lake Rd., Ste 280, West Bloomfield, MI 48322.	Detroit .....	11/15/2010 ...	Philadelphia
Dedicated Mortgage Associates LLC .....	225 Derry Rd., Hudson, NH 03051 .....	Bangor .....	11/15/2010 ...	Philadelphia
Equitable Trust Mortgage Corp .....	5024 Campbell Blvd., Ste G, Baltimore, MD 21236.	Washington ..	11/15/2010 ...	Philadelphia
Equity Source Home Loans LLC .....	150 Airport Rd., Ste 1100, Lakewood, NJ 08701.	Camden .....	12/14/2010 ...	Philadelphia
Equity Source Home Loans LLC .....	1120 Campus Dr., Morganville, NJ 07751 .....	Camden .....	12/14/2010 ...	Philadelphia
First Performance Mortgage Corp .....	1221 Lake Dr., SE., Ste 103, Bessemer, AL 35022.	Birmingham ..	11/15/2010 ...	Atlanta
Freedom Mortgage Corp .....	10500 Kincaid Dr., Ste 300, Fishers, IN 46037	Indianapolis ..	11/15/2010 ...	Atlanta
Homeland Lending Inc .....	105 S Wheeler St., Ste 300, Plant City, FL 33563.	Jacksonville ..	11/15/2010 ...	Atlanta
Metro Finance Corp .....	30 S Stolp Ave., Ste 314, Aurora, IL 60506 ....	Chicago .....	11/15/2010 ...	Atlanta
Moncor Inc .....	4660 Wadsworth Blvd., Wheat Ridge, CO 80033.	Denver .....	11/16/2010 ...	Denver
MVB Mortgage Corp .....	24400 Northwestern Hwy., Southfield, MI 48075.	Detroit .....	11/16/2010 ...	Philadelphia
Signature One Mortgage Inc .....	5875 S Rainbow Blvd., Ste 110, Las Vegas, NV 89118.	Las Vegas ....	11/15/2010 ...	Santa Ana
Valor Financial Services LLC .....	1911 Rohlwing Rd., Ste A, Rolling Meadows, IL 60008.	Chicago .....	11/16/2010 ...	Atlanta

Dated: January 12, 2011.

**David H. Stevens,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5493-N-01]

### Mortgage and Loan Insurance Programs Under the National Housing Act—Debenture Interest Rates

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

#### **ACTION:** Notice.

**SUMMARY:** This notice announces changes in the interest rates to be paid on debentures issued with respect to a loan or mortgage insured by the Federal Housing Administration under the provisions of the National Housing Act (the Act). The interest rate for debentures issued under section 221(g)(4) of the Act during the 6-month period beginning January 1, 2011, is 2½ percent. The interest rate for debentures issued under any other provision of the Act is the rate in effect on the date that the commitment to insure the loan or mortgage was issued, or the date that the loan or mortgage was endorsed (or initially endorsed if there are two or more endorsements) for insurance,

whichever rate is higher. The interest rate for debentures issued under these other provisions with respect to a loan or mortgage committed or endorsed during the 6-month period beginning January 1, 2011, is 3⅞ percent. However, as a result of an amendment to section 224 of the Act, if an insurance claim relating to a mortgage insured under sections 203 or 234 of the Act and endorsed for insurance after January 23, 2004, is paid in cash, the debenture interest rate for purposes of calculating a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years.