

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Reports Liaison Officer, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410, Room 9120 or the number for the Federal Relay information Service, 1-800-877-8330.

**FOR FURTHER INFORMATION CONTACT:** Theodore K. Toon, Director, Office of Multifamily Housing Development, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410, telephone (202) 402-8386 (this is not a toll free number) for copies of the proposed forms and other available information.

**SUPPLEMENTARY INFORMATION:** The Department is submitting the proposed information collection to OMB for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35, as amended).

This Notice is soliciting comments from members of the public and affected agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection 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 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:* Multifamily Project Construction Contract, Building Loan Agreement, and Construction Change Request.

*OMB Control Number, if applicable:* 2502-0011.

*Description of the need for the information and proposed use:* The information collected on the "Multifamily Project Construction Contract, Building Loan Agreement, and Construction Change Request" form provides HUD with information from contractors, mortgagors/borrowers, and mortgagees/lenders for construction of multifamily projects and to obtain approval of changes in previously approved contract drawings and/or specifications.

*Agency form numbers, if applicable:* HUD-92437, HUD-92441, HUD-92442, HUD-92442-A, HUD-92442-CA and HUD-92442-A-CA.

*Estimation of the total numbers of hours needed to prepare the information collection including number of respondents, frequency of response, and hours of response:* The number of burden hours is 9538. The number of respondents is 1158, the number of responses is 1158, the frequency of response is annually, and the burden hour per response is 3 hours.

*Status of the proposed information collection:* This is an extension of a currently approved collection.

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

Dated: April 8, 2013.

**Laura M. Marin,**

*Acting General Deputy Assistant Secretary for Housing-Acting General Deputy Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5706-N-01]

### Mortgagee Review Board: Administrative Actions

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (HUD).

**ACTION:** Notice.

**SUMMARY:** In compliance with Section 202(c) (5) of the National Housing Act, this notice advises of the cause and description of administrative actions taken by HUD's Mortgagee Review Board against HUD-approved mortgagees.

#### FOR FURTHER INFORMATION CONTACT:

Nancy A. Murray, Secretary to the Mortgagee Review Board, 451 Seventh Street SW., Room B-133/3150, Washington, DC 20410-8000; telephone number 202-708-2224 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Service at 800-877-8339.

**SUPPLEMENTARY INFORMATION:** Section 202(c)(5) of the National Housing Act (12 U.S.C. 1708(c)(5)) requires that HUD "publish a description of and the cause for administrative action against a HUD-approved mortgagee" by the Department's Mortgagee Review Board ("Board"). In compliance with the requirements of Section 202(c)(5), this

notice advises of actions that have been taken by the Board in its meetings from January 1, 2012 to September 30, 2012.

### I. Civil Money Penalties, Withdrawals of FHA Approval, Suspensions, Probations, Reprimands, and Administrative Payments

1. *Academy Mortgage Corporation, Sandy, UT [Docket No. 12-1609-MR]*

*Action:* On April 27, 2012, the Board entered into a Settlement Agreement with Academy Mortgage Corporation (Academy) that required Academy to pay a civil money penalty in the amount of \$75,000, without admitting fault or liability.

*Cause:* The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: Academy failed to notify the Department that it was the subject of multiple state regulatory actions and sanctions, and submitted false certifications to HUD in connection with Academy's annual renewal of eligibility documentation for its fiscal years ending in 2009, 2010 and 2011.

2. *AmericaHomeKey, Inc., Dallas, TX [Docket No. 11-1294-MR]*

*Action:* On March 22, 2012, the Board issued a Notice of Administrative Action immediately and permanently withdrawing the FHA approval of AmericaHomeKey, Inc. (AHK).

*Cause:* The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: AHK failed to perform quality control functions in compliance with HUD/FHA requirements, failed to meet the requirements for participation in the FHA mortgage insurance program, failed to ensure the correct mortgagee identification number was used when originating FHA-insured mortgage loans, failed to adequately document the source of and/or adequacy of funds used for closing, failed to correctly calculate and document the mortgagor's income, failed to verify the stability of the mortgagor's income, failed to ensure the mortgagor was eligible for an FHA-insured mortgage loan, failed to ensure the property met HUD's eligibility requirements, failed to comply with TOTAL Scorecard requirements, failed to comply with HUD's property flipping requirements, failed to provide construction documents required for property eligibility and/or high ratio financing resulting in over-insured mortgages, failed to ensure that the maximum mortgage amount was correctly calculated, resulting in over-insured mortgages, failed to ensure that data submitted to HUD systems was

accurate, and charged mortgagors unallowable fees.

*3. American Financial Resources, Inc., Parsippany, NJ [Docket No. 12-1594-MR]*

**Action:** On November 21, 2012, the Board entered into a Settlement Agreement with American Financial Resources, Inc. (AFR) that required AFR to pay civil money penalties in the amount of \$17,000, to indemnify HUD/FHA for its losses with respect to two FHA-insured loans, and to refund borrowers for excessive origination fees, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: AFR failed to obtain adequate documentation of the income used to qualify a borrower, failed to resolve discrepancies and/or conflicting information before submitting loans for FHA mortgage approval, and failed to ensure mortgagors were not charged fees that were excessive and/or unreasonable for the services performed.

*4. Homeward Residential, Inc., Formerly Known as American Home Mortgage Servicing, Inc., Coppell, TX [Docket No. 12-1544-MR]*

**Action:** On September 14, 2012, the Board entered into a Settlement Agreement with Homeward Residential, Inc., formerly known as American Home Mortgage Servicing, Inc. (AHMSI) that, among other things, required AHMSI to pay a civil money penalty in the amount of \$1.2 million and to complete mortgage record changes to facilitate the payment of certain FHA insurance claims, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: AHMSI submitted or caused to be submitted false information to HUD in relation to 63 mortgagee record changes, failed to reconcile its portfolio data and allowed HUD records to incorrectly identify AHMSI as the holder of 97 FHA-insured mortgage loans, and submitted false information to HUD on 133 claims for FHA insurance benefits and, in 90 instances, claimed benefits for ineligible holders of record.

*5. Capitol Federal Savings Bank, Topeka, KS [Docket No. 12-1624-MR]*

**Action:** On June 29, 2012, the Board entered into a Settlement Agreement with Capitol Federal Savings Bank (CFSB) that required CFSB to pay a civil money penalty in the amount of \$59,000, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: CFSB employed or retained a debarred director and made three false certifications to HUD on CFSB's Yearly Verification Report and annual recertification submissions to HUD for 2009, 2010 and 2011.

*6. Cenlar Federal Savings Bank, Trenton, NJ [Docket No. 11-1146-MR]*

**Action:** On April 16, 2012, the Board entered into a Settlement Agreement with Cenlar Federal Savings Bank (Cenlar) that required Cenlar, to pay a civil money penalty in the amount of \$32,500, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: Cenlar failed to engage in loss mitigation and/or retain required documentation in its loan servicing files with respect to its loss mitigation decisions.

*7. Community West Mortgage, LLC, Lakewood, CO [Docket No. 10-1931-MR]*

**Action:** On June 14, 2012, the Board entered into a Settlement Agreement with Community West Mortgage, LLC (CW) that required CW, to pay a civil money penalty in the amount of \$12,000, without admitting fault or liability.

**Cause:** The Board took this action based on the following violation of HUD/FHA requirements alleged by HUD: CW failed to adopt and maintain a quality control plan and management reports, failed to implement a quality control plan, allowed non-employees and non W-2 employees to originate FHA loans, and failed to require the loan interviewer to sign page 4 of the initial Uniform Residential Loan Application, Fannie Mae Form 1003, and page 1 of the initial Form HUD 92900-A.

*8. First Liberty Financial Group, LLC, Owensboro, KY [Docket No. 12-1598-MR]*

**Action:** On July 16, 2012, the Board entered into a Settlement Agreement with First Liberty Financial Group, LLC (FLFG) that placed FLFG on probation for a period of six months and required FLFG, to pay a civil money penalty in the amount of \$7,500, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: FLFG disseminated a misrepresentative or misleading

advertisement or business solicitation to the public.

*9. First National Bank of Alaska, Anchorage, AK [Docket No. 11-1204-MR]*

**Action:** On October 30, 2012, the Board entered into a Settlement Agreement with First National Bank of Alaska (FNBA) that required FNBA to pay a civil money penalty in the amount of \$23,300, to require all of its mortgage servicing staff and supervisors to complete, within six months, HUD's twelve-module electronic training program on loss mitigation and servicing systems, and to submit to HUD and implement a written quality control plan that complies with HUD requirements, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: FNBA failed to maintain a quality control plan, failed to perform quality control functions, failed to service FHA-insured loans in accordance with HUD's loss mitigation requirements, and failed to timely provide the HUD-PA-426 pamphlet to delinquent borrowers.

*10. First Reverse Financial Services, LLC, Westmont, IL [Docket No. 12-1607-MR]*

**Action:** On June 15, 2012, the Board issued a Notice of Administrative Action withdrawing the FHA approval of First Reverse Financial Services, LLC (FRFS) for a period of one year.

**Cause:** The Board took this action based on the following violation of HUD/FHA requirements alleged by HUD: FRFS failed to notify HUD/FHA that FRFS was involuntarily dissolved by the state of Illinois and, the fiscal years ending March 31, 2009, March 31, 2010 and March 31, 2011, failed to timely submit its Yearly Verification Report/Electronic Annual Certification forms, failed to pay the annual recertification fees and failed to submit acceptable audited financial statements.

*11. Flagstar Bank, F.S.B., Troy, MI [Docket No. 11-1297-MR]*

**Action:** On May 29, 2012, the Board entered into a Settlement Agreement with Flagstar Bank, F.S.B. (Flagstar) that required Flagstar to pay a civil money penalty in the amount of \$85,150, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: Flagstar failed either to timely remit monthly mortgage insurance premiums to HUD/FHA or to notify HUD/FHA within fifteen calendar days

of the termination of the contract of mortgage insurance, the sale of the mortgage, or both on 1,373 loans.

*12. Flagstar Bank, F.S.B., Troy, MI [Docket No. 12-1436-MR]*

**Action:** On November 21, 2012, the Board entered into a Settlement Agreement with Flagstar Bank, F.S.B. (Flagstar) that required Flagstar to pay a civil money penalty in the amount of \$37,000, and pay \$92,677 to indemnify HUD for its losses with respect to one FHA loan, to indemnify HUD for any loss (past, present or future) on five FHA loans for a period of five years from the date of the agreement, and to retain and fully pay for a third-party servicing monitor for a period of one year, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: Flagstar failed to engage in loss mitigation, failed to service FHA loans in accordance with HUD requirements, and failed to offer property disposition options to the mortgagors.

*13. ISB Mortgage Company, LLC, Millburn, NJ [Docket No. 11-1296-MR]*

**Action:** On March 2, 2012, the Board entered into a Settlement Agreement with ISB Mortgage Company, LLC (ISB) that required ISB to pay a civil money penalty in the amount of \$8,100 and remit all Mortgage Insurance Premiums and late fees due HUD for 20 FHA insured mortgages serviced by ISB, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: ISB failed either to timely remit mortgage insurance premiums to HUD/FHA or to notify HUD/FHA within 15 calendar days of the termination of the contract of mortgage insurance, the sale of the mortgage, or both on twenty loans.

*14. Jersey Mortgage Company, Cranford, NJ [Docket No. 11-1195-MR]*

**Action:** On July 16, 2012, the Board entered into a Settlement Agreement with Jersey Mortgage Company (JMC) that required JMC to pay a civil money penalty in the amount of \$91,500, to pay \$917,528 to indemnify HUD for its losses with respect to five defaulted FHA loans, and to indemnify HUD for any loss (past, present or future) on three FHA loans for a period of five years from the date of the agreement, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: JMC approved loans without

properly analyzing the borrower's credit, approved loans without properly documenting or verifying effective income, approved loans with inadequate verification of the borrowers cash investment in the property, approved loans with inadequate analysis of the borrower's ability to repay the mortgage obligation, approved a loan with an incomplete Mortgage Credit Analysis Worksheet (MCAW), and failed to implement an acceptable quality control plan.

*15. Mac-Clair Mortgage Corporation, Burton, MI [Docket No. 11-1292-MR]*

**Action:** On April 12, 2012, the Board issued a Notice of Administrative Action withdrawing the FHA approval of Mac-Clair Mortgage Corporation (MCMC) for a period of one year.

**Cause:** The Board took this action based on the following violation of HUD/FHA requirements alleged by HUD: On thirteen FHA-insured mortgages serviced or held by MCMC, MCMC failed to remit Mortgage Insurance Premiums, failed to notify HUD/FHA within fifteen calendar days of the termination of the contract for mortgage insurance or the sale of the mortgage, or both.

*16. Mortgage Now, Inc., Cleveland, OH [Docket No. 11-1224-MR]*

**Action:** On April 27, 2012, the Board entered into a Settlement Agreement with Mortgage Now, Inc. (MN) that required MN to pay a civil money penalty in the amount of \$13,500 and to pay \$243,872 to indemnify HUD for its losses with respect to two defaulted FHA loans, without admitting fault or liability.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: MN failed to timely remit 200 Upfront Mortgage Insurance Premiums to HUD/FHA within ten calendar days of closing or disbursement, whichever was later, and failed to honor two indemnification agreements with HUD when it failed to remit payments owed to HUD pursuant to the terms of the Indemnification Agreements.

*17. Nationwide Home Loans, Inc., Miami, FL [Docket No. 12-1588-MR]*

**Action:** On June 12, 2012, the Board issued a Notice of Administrative Action permanently withdrawing the FHA approval of Nationwide Home Loans, Inc. (NHL).

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: NHL failed to complete its annual online certification, failed to submit the

recertification fee, failed to submit its audited financial statements, employed individuals to originate loans who NHL knew or should have known were engaged in prohibited outside employment in the mortgage lending field, permitted non-FHA-approved mortgage brokers to perform loan origination services, failed to adhere to HUD/FHA requirements when underwriting loans for FHA insurance, and failed to adopt, maintain, and implement a quality control plan in compliance with HUD/FHA requirements.

*18. Pine State Mortgage Corporation, Atlanta, GA [Docket No. 12-0000-MR]*

**Action:** On June 15, 2012, the Board issued a Notice of Administrative Action permanently withdrawing the FHA approval of Pine State Mortgage Corporation (PSMC).

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: PSMC failed to remit payments owed to HUD per the terms of an indemnification agreement between PSMC and HUD, failed to timely notify HUD/FHA of a business change that affected PSMC's standing as an approved institution or changed the information on which it was originally approved, failed to timely submit its audited financial statements for fiscal years 2009, 2010, and 2011, failed to timely submit its annual recertification fee(s) for fiscal years 2009, 2010 and 2011, and failed to timely submit its annual online certifications for fiscal years 2009, 2010 and 2011.

*19. U.S. Mortgage Finance Corporation, Cockeysville, MD [Docket No. 11-1209-MR]*

**Action:** On June 12, 2012, the Board issued a Notice of Administrative Action withdrawing the FHA approval of U.S. Mortgage Finance Corporation (USMFC) for a period of one year.

**Cause:** The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: USMFC failed to maintain its Maryland state mortgage lender's license and failed to notify HUD/FHA that it had closed its main office and was no longer licensed in Maryland.

*20. People's United Bank, Bridgeport, CT [Docket No. 11-1155-MR]*

**Action:** On January 22, 2013, the Board entered into a Settlement Agreement with People's United Bank (PUB) that required PUB to pay a civil money penalty in the amount of \$15,000, without admitting fault or liability.

*Cause:* The Board took this action based on the following violations of HUD/FHA requirements alleged by HUD: PUB failed either to timely remit mortgage insurance premiums to HUD/FHA or to notify HUD/FHA within fifteen calendar days of the termination of the contract of mortgage insurance, the sale of the mortgage, or both on 97 FHA-insured loans.

## II. Lenders That Failed To Timely Meet Requirements for Annual Recertification of HUD/FHA Approval

*Action:* The Board entered into settlement agreements with the lenders listed below, which required the lender to pay a \$7,500 or \$3,500 civil money penalty, without admitting fault or liability.

*Cause:* The Board took these actions based upon allegations that the lenders listed below failed to comply with the Department's annual recertification requirements in a timely manner.

1. Banking Mortgage Services BMS Corp., Miami, FL (\$3,500) [Docket No. 11-1249-MRT]
2. BM Real Estate Services, Inc. DBA Priority Financial Network, Calabasas, CA (\$7,500) [Docket No. 12-1622-MRT]
3. FedTrust Mortgage, LLC, Farmington Hills, MI (\$3,500) [Docket No. 11-1218-MRT]
4. Home Retention Services, Inc., Houston, TX (\$7,500) [Docket No. 11-1283-MRT]
5. Mortgage Corp of the East III, Rockland, MA (\$3,500) [Docket No. 12-1656-MRT]
6. Pryisma Lending Group, LLC, Danbury, CT (\$3,500) [Docket No. 11-1236-MRT]
7. SWI Financial Services, Inc. DBA Integrity 1<sup>ST</sup> Mortgage, Escondido, CA (\$3,500) [Docket No. 12-1647-MRT]

## III. Lenders That Failed to Meet Requirements for Annual Recertification of HUD/FHA Approval

*Action:* The Board voted to withdraw the FHA approval of each of the lenders listed below for a period of one year.

*Cause:* The Board took these actions based upon allegations that the lenders listed below were not in compliance with the Department's annual recertification requirements.

1. AAA Worldwide Financial Co., Addison, TX [Docket No. 13-1344-MRT]
2. Access Mortgage Corporation, West Haven, CT [Docket No. 11-1284-MRT]
3. Admiral Mortgage, Inc., Pikesville, MD [Docket No. 13-1345-MRT]

4. Aeslech, Inc., Los Angeles, CA [Docket No. 13-1346-MRT]
5. Allstate Lending Group, Inc., Atlanta, GA [Docket No. 13-1347-MRT]
6. Amber Financial Group, LLC, San Diego, CA [Docket No. 13-1348-MRT]
7. American Independent Association, Inc., Diamond Bar, CA [Docket No. 13-1349-MRT]
8. American Mortgage Specialists, Inc., Scottsdale, AZ [Docket No. 13-1350-MRT]
9. American South Lending, Inc., Greensboro, NC [Docket No. 11-1262-MRT]
10. American Union Financial Services, Inc., Pasadena, CA [Docket No. 13-1351-MRT]
11. Americas First Home Mortgage Company, Inc., Cedartown, GA [Docket No. 13-1352-MRT]
12. Amerifund Financial, Inc., Tacoma, WA [Docket No. 13-1353-MRT]
13. Ameritrust Mortgage Bankers, Inc. DBA NY Financial Lending, Inc., New Hyde Park, NY [Docket No. 13-1354-MRT]
14. Atlantic Coast Mortgage Group, Inc., Fort Lauderdale, FL [Docket No. 13-1355-MRT]
15. Bache & Co., Inc., Clearwater, FL [Docket No. 13-1356-MRT]
16. Baker and Lindsey, Inc., Fort Walton Beach, FL [Docket No. 13-1357-MRT]
17. Bankers Acceptance Mortgage Corp., Springfield, MO [Docket No. 13-1358-MRT]
18. Benefit Funding Corporation, Beltsville, MD [Docket No. 11-1243-MRT]
19. Birmingham Bancorp Mortgage Corporation, West Bloomfield, MI [Docket No. 13-1359-MRT]
20. BMC Capital, LP, Dallas, TX [Docket No. 13-1360-MRT]
21. Brian A. Cole & Associates, LTD., Westlake, OH [Docket No. 13-1361-MRT]
22. Briner Incorporated, Fredericksburg, VA [Docket No. 13-1362-MRT]
23. Brookside Mortgage Corporation, Orange, CA [Docket No. 13-1363-MRT]
24. Butker Financial Services, Inc., Orange, CA [Docket No. 13-1364-MRT]
25. Cambridge Funding Group, Inc., Irvine, CA [Docket No. 13-1365-MRT]
26. Cambridge Home Capital, LLC, Great Neck, NY [Docket No. 13-1366-MRT]
27. Capital Mortgage Corporation, Raleigh, NC [Docket No. 11-1270-MRT]
28. Capstone Realty Advisors, LLC, Cleveland, OH [Docket No. 13-1367-MRT]
29. Castle Rock Financial Services, LLC, Provo, UT [Docket No. 13-1368-MRT]
30. Cayman Suisse Capital, Inc., Gibbsboro, NJ [Docket No. HUDALJ 12-M-044-MRT]
31. Citizens Independent Bank, St Louis Park, MN [Docket No. 13-1331-MRT]
32. Classic Home Loans, Lafayette, CA [Docket No. 12-1654-MRT]
33. Classic Mortgage Solutions, Inc., Phoenix, AZ [Docket No. 13-1369-MRT]
34. Coastal Lending Financial Corp., West Lake Hills, TX [Docket No. 13-1370-MRT]
35. Commonwealth Home Mortgage Bankers Corp., New Hyde Park, NY [Docket No. 13-1371-MRT]
36. Community Central Mortgage Co., LLC, Mount Clemens, MI [Docket No. 12-1623-MRT]
37. Consumer Mortgage Group, Inc., Woodbridge, NJ [Docket No. 13-1372-MRT]
38. Cornerstone Bancor Mortgage Corp., DBA Nations Credit Mortgage Co., Massapequa, NY [Docket No. 13-1373-MRT]
39. CSW Financial, LLC, Reno, NV [Docket No. 13-1374-MRT]
40. DASH Funding, LP, Plano, TX [Docket No. 13-1375-MRT]
41. DBSA Holdings, Inc., San Diego, CA [Docket No. 13-1376-MRT]
42. Delta Mortgage Company, Beachwood, OH [Docket No. 13-1377-MRT]
43. Direct Equity Mortgage, LLC, Las Vegas, NV [Docket No. 13-1378-MRT]
44. Dover Mortgage Company, Charlotte, NC [Docket No. 11-1252-MRT]
45. E\*TRADE Mortgage Corporation, Irvine, CA [Docket No. 13-1379-MRT]
46. East Coast Mortgage Corp., Springfield, NJ 07081 [Docket No. 13-1328-MRT]
47. Equity Services, Inc., Raleigh, NC [Docket No. 13-1380-MRT]
48. Essex Mortgage Company, LLC, Chesterfield, MO [Docket No. 13-1381-MRT]
49. Euro Mortgage Bankers, Inc., Patchogue, NY [Docket No. 13-1382-MRT]
50. FFAST Mortgage Corporation, Irvine, CA [Docket No. 13-1383-MRT]
51. First American Realty Capital Corp., Los Angeles, CA [Docket No. 13-1384-MRT]
52. First Chesapeake Home Mortgage, LLC, Annapolis, MD [Docket No. 13-1385-MRT]
53. First Florida Funding Corp., Hialeah, FL [Docket No. 13-1386-MRT]

54. First Marathon Financial Corporation, Austin, TX [*Docket No. 13-1387-MRT*]
55. First Residential Mortgage Network, Louisville, KY [*Docket No. 13-1388-MRT*]
56. First Suffolk Mortgage Corporation, North Babylon, NY [*Docket No. 13-1389-MRT*]
57. First United Mortgage Company, Inc., Cranford, NJ [*Docket No. 13-1390-MRT*]
58. GD LLC, Webster Groves, MO [*Docket No. 13-1391-MRT*]
59. Get On The Map Corporation FKA AAA Financial Corporation, Coral Springs, FL [*Docket No. 13-1392-MRT*]
60. Gold Reverse, Inc., Anaheim, CA [*Docket No. 13-1393-MRT*]
61. Goode Mortgage Corporation, Conway, AR [*Docket No. 13-1394-MRT*]
62. Granite Mortgage, Inc., Winston Salem, NC [*Docket No. 13-1395-MRT*]
63. Great American Mortgage Corp., Roslyn Heights, NY [*Docket No. 13-1396-MRT*]
64. Greenberry Financial Services, Inc., Ladera Ranch, CA [*Docket No. 13-1397-MRT*]
65. Heartland Funding Corporation, Springfield, MO [*Docket No. 13-1398-MRT*]
66. Home Loan Consultants, Inc., San Diego, CA [*Docket No. 13-1399-MRT*]
67. Homelynx Home Loans, LLC, Fort Meyers, FL [*Docket No. 13-1400-MRT*]
68. ICMC, LLC, Columbia, SC [*Docket No. 13-1401-MRT*]
69. Infinity Group Services, Irvine, CA [*Docket No. 13-1402-MRT*]
70. Inter Mountain Mortgage, Pomona, CA [*Docket No. 13-1403-MRT*]
71. International Mortgage Corporation, Millersville, MD [*Docket No. 13-1404-MRT*]
72. Jay's Mortgage Acceptance Corp., DBA JMAC Home Mortgage, Houston, TX [*Docket No. 13-1405-MRT*]
73. Journey Financial, Inc., Tacoma, WA [*Docket No. 13-1406-MRT*]
74. Lenox Financial Mortgage, LLC, Atlanta, GA [*Docket No. 13-1407-MRT*]
75. Loan Correspondents, Inc., Irvine, CA [*Docket No. 13-1409-MRT*]
76. Loan Network, LLC, Renton, WA [*Docket No. 13-1410-MRT*]
77. Lumina Mortgage Company, Inc., Wilmington, NC [*Docket No. 13-1411-MRT*]
78. Maverick Residential Mortgage, Inc., Plano, TX [*Docket No. 13-1412-MRT*]
79. MBI Mortgage, Inc., Dallas, TX [*Docket No. 13-1413-MRT*]
80. Medallion Mortgage Corporation, Arlington, TX [*Docket No. 13-1414-MRT*]
81. Mercury, Inc., Fairfield, NJ [*Docket No. 13-1415-MRT*]
82. Meredian Financial Corporation, Costa Mesa, CA [*Docket No. 13-1416-MRT*]
83. Meridias Capital, Inc., Henderson, NV [*Docket No. 12-1664-MRT*]
84. Merrill Mortgage Corporation, Overland Park, KS [*Docket No. 13-1417-MRT*]
85. MetAmerica Mortgage Bankers, Inc., Virginia Beach, VA [*Docket No. 13-1418-MRT*]
86. MIG Mortgage, LLC, Houston, TX [*Docket No. 13-1420-MRT*]
87. Money Warehouse, Inc., Southampton, PA [*Docket No. 13-1421-MRT*]
88. Mortgage and Investment Consultants, Inc., Saint Paul, MN [*Docket No. 13-1422-MRT*]
89. Mortgage Direct, Chicago, IL [*Docket No. 12-1655-MRT*]
90. Mortgage Plus of America Corporation, Kalamazoo, MI [*Docket No. 13-1423-MRT*]
91. Mortgage South, Inc., Richmond, VA [*Docket No. 13-1424-MRT*]
92. MORTGAGECLOSE.COM, Inc., Santa Ana, CA [*Docket No. 13-1425-MRT*]
93. M-Point Mortgage Services, LLC, Crofton, MD [*Docket No. 13-1426-MRT*]
94. MWF Financial & Mortgage Center, Inc., Saint Charles, IL [*Docket No. 13-1427-MRT*]
95. National Title Insurance Company, Miami, FL [*Docket No. 13-1428-MRT*]
96. Nationwide Mortgage Concepts, LLC, Rancho Mirage, CA [*Docket No. 13-1429-MRT*]
97. NDNJ, Inc., Ranchos Palos Verdes, CA [*Docket No. 13-1430-MRT*]
98. Neighborhood Funding, Inc., Tampa, FL, [*Docket No. 13-1431-MRT*]
99. Neighborhood Housing Services of America, Oakland, CA [*Docket No. 13-1432-MRT*]
100. Nichols Mortgage Services, Inc., Indianapolis, IN [*Docket No. 13-1433-MRT*]
101. NLMC, Inc., Houston, TX [*Docket No. 13-1434-MRT*]
102. Olympic Coast Investments, Inc., Virginia Beach, VA [*Docket No. 11-1267-MRT*]
103. Online Financial Group, San Jose, CA [*Docket No. 13-1435-MRT*]
104. Oxford Lending Group, LLC, Columbus, OH [*Docket No. 13-1436-MRT*]
105. Pacific Charter Mortgage Corp., Laguna Hills, CA [*Docket No. 13-1437-MRT*]
106. Pacific Mutual Funding, Inc., Brea, CA [*Docket No. 13-1438-MRT*]
107. Pacific Reverse Mortgage, Inc., Palm Beach Gardens, FL [*Docket No. 13-1439-MRT*]
108. Pinnacle Financial Services, Inc., Chesterfield, MO [*Docket No. 13-1440-MRT*]
109. Preferred Financial Funding, Inc., Colton, CA [*Docket No. 13-1441-MRT*]
110. Prime Home Mortgage, Inc., Ormond Beach, FL [*Docket No. 13-1442-MRT*]
111. Prodigy, Inc., Austin, TX [*Docket No. 13-1443-MRT*]
112. Production Mortgage, Inc., Anaheim, CA [*Docket No. 13-1444-MRT*]
113. Professional Lending, LLC, Augusta, GA [*Docket No. 13-1445-MRT*]
114. Profotund Mortgage Corporation, Winnetka, CA [*Docket No. 13-1446-MRT*]
115. Provident Mortgage Corporation Central CA, Visalia, CA [*Docket No. 11-1214-MRT*]
116. Residential Lending Network, Inc., Coral Springs, FL [*Docket No. 11-1281-MRT*]
117. Right Mortgage Company, Lebanon, TN [*Docket No. 13-1447-MRT*]
118. Rokitto Enterprises, Porter Ranch, CA [*Docket No. 13-1448-MRT*]
119. Sacramento Valley Financial, Inc., Roseville, CA [*Docket No. 13-1449-MRT*]
120. Silver Oak Mortgage, LP, Arlington, TX [*Docket No. 13-1450-MRT*]
121. Sky Investments, Inc., Deerfield Beach, FL [*Docket No. 13-1451-MRT*]
122. Sterling Empire Funding Associates, LTD, Bronx, NY [*Docket No. 13-1452-MRT*]
123. Sun Capital, Inc., Pelham, AL [*Docket No. 13-1453-MRT*]
124. Sydion Financial, LLC, Lake Tapps, WA [*Docket No. 13-1454-MRT*]
125. The Mortgage Bank of Arkansas, Little Rock, AR [*Docket No. 11-1219-MRT*]
126. The Mortgage Co-op, LLC, Sandy, UT [*Docket No. 13-1455-MRT*]
127. The Mortgage Makers, Inc., Houston, TX [*Docket No. 13-1456-MRT*]
128. Thornburg Mortgage Home Loan, Inc., Santa Fe, NM [*Docket No. 13-1457-MRT*]
129. TMBG, Inc., Everett, WA [*Docket No. 11-1227-MRT*]
130. Town & Country Home Mortgage, Inc., Portland, OR [*Docket No. 13-1458-MRT*]

131. U.S. Financial Mortgage Corporation, Rocklin, CA [*Docket No. 13-1459-MRT*]
132. United Funding Mortgage Corp., Alpharetta, GA [*Docket No. 13-1460-MRT*]
133. United Home Mortgage Corp., Antioch, CA [*Docket No. 13-1461-MRT*]
134. Universal Mortgage Corporation, Mequon, WI [*Docket No. 13-1462-MRT*]
135. US Capital Funding, LLC, East Islip, NY [*Docket No. 13-1463-MRT*]
136. USGI, Inc., Darien, CT [*Docket No. 13-1464-MRT*]
137. Vision Mortgage Professionals, Inc., Lebanon, TN [*Docket No. 13-1465-MRT*]
138. Volunteer Trust Mortgage Corporation, Nashville, TN [*Docket No. 13-1466-MRT*]

Dated: April 5, 2013.

**Carol J. Galante,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[*Docket No. FR-5638-N-02*]

### Public Housing Assessment System (PHAS): Capital Fund Final Scoring Notice

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice makes final an interim notice that advised public housing agencies (PHAs), as well as members of the public, that HUD intended to award 5 points for the occupancy sub-indicator of the Capital Fund indicator to all PHAs for the Capital Fund Indicator under the PHAS interim rule published February 23, 2011. The award of 5 points is awarded as a temporary measure to address the transition to the scoring system implemented by the PHAS interim rule, especially as relates to the Capital Fund sub-indicator that assesses occupancy rate. The 5 points for this occupancy sub-indicator is awarded for fiscal years ending March 31, 2011, June 30, 2011, September 30, 2011, and December 31, 2011. This notice follows an interim notice for comment published on June 11, 2012.

**DATES:** *Effective Date:* April 11, 2013.

**FOR FURTHER INFORMATION CONTACT:**

Claudia J. Yarus, Real Estate Assessment

Center (REAC), Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12th Street SW., Suite 100, Washington, DC 20410, telephone 202-475-8830 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339. Additional information is available from the REAC Internet site at <http://www.hud.gov/offices/reac/>.

#### SUPPLEMENTARY INFORMATION:

##### I. The June 11, 2012 Interim Notice for Comment

On June 11, 2012, HUD published for public comment an interim notice that advised that for PHA's with fiscal years ending March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011, HUD was awarding all PHAs 5 points for the occupancy rate sub-indicator under the Capital Fund Program Indicator. The score already assigned for occupancy rate sub-indicator of the Capital Fund score was made advisory only as of the effective date of the interim notice, and remains advisory for a period of one year from the date of publication of this notice.

##### II. This Final Notice

This notice makes final the June 11, 2012 interim notice without change.

##### III. The Public Comments

The public comment period for the interim notice closed on July 11, 2012. By the close of the comment period, HUD received 22 public comments. Comments were submitted by housing authorities, a consortium, and public housing trade associations.

A summary of the significant issues raised in the comments, and HUD's responses, follows.

##### A. The Occupancy Sub-Indicator of the Capital Fund Indicator

*Issue: Opposition to 2 occupancy indicators.* Commenters stated that: there should not be two occupancy indicators in a scoring system, when they are based on different criteria; Having two occupancy standards is duplicative and redundant, even though they are not weighted the same; the different uses of the occupancy sub-indicator in the management indicator and the Capital Fund indicator appear to conflict; it seems odd that 96 percent occupancy is acceptable in the Capital Fund indicator, but for the management indicator 98 percent is the standard; having an occupancy indicator under both the management indicator and the Capital Fund indicator leads to a double

penalty for one sub-indicator; and that it is incongruous for PHAs to be high performing or passing for the occupancy sub-indicator under one subsystem and failing in another.

*HUD Response:* HUD disagrees that there should not be two occupancy sub-indicators. The two sub-indicators are for different purposes. The occupancy sub-indicator under the Management (MASS) Indicator is a management measure. The occupancy sub-indicator under the Capital Fund Indicator is a measure of the use of Capital Funds for modernization and other capital needs. HUD believes that success in addressing capital needs will be reflected in higher occupancy rates. Because they are two different measures, HUD does not agree that there is a redundancy or double penalty.

The percentage difference between the MASS occupancy sub-indicator and the Capital Fund occupancy sub-indicator is due to the exclusion of all HUD approved vacant units from the MASS occupancy calculation. The higher percentage required for full points under the MASS sub-indicator reflects that HUD approved vacant units (under 24 CFR 990.145) are not considered in the formula used to determine this occupancy percentage. Since those same HUD approved vacant units are considered in the formula used to calculate the Capital Fund occupancy percentage, the percentage required for full points under Capital Fund is lower.

With the award of five (5) points to all PHAs for the Capital Fund occupancy sub-indicator for FY 2011, as provided in this notice, for this assessment cycle a PHA cannot "fail" one occupancy sub-indicator and still be designated a high performer or "pass" the other occupancy sub-indicator. Furthermore, even were it not for this adjustment, as the two occupancy sub-indicators are intended for different purposes, it would not be incongruous for PHAs to receive differing scores.

*Issue: Commenters stated that standard is too strict.* A commenter stated that the standard for the occupancy sub-indicator is too stringent. Real estate firms in the local area accept 5 percent vacancy as normal. If HUD multi-family projects accept 5 percent as normal (grade of C), public housing should be no different. Another commenter stated that, if the multi-family standard is only 95 percent, PHAs should not be held to a different standard and penalized for what is acceptable with PHA's private counterparts, as PHA's challenges are just as real, if not more so. One commenter stated as an example of the problems with the new PHAS rule, that