

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4837-D-05]

Redelegations of Authority to the Office of Multifamily Housing Assistance Restructuring

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

ACTION: Notice of revocation and redelegations of authority.

SUMMARY: Published elsewhere in today's *Federal Register*, the Secretary of HUD issued an up-to-date comprehensive delegation of authority for housing programs to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner. This notice advises the public of redelegations of authority from the Housing Assistant Secretary to the Office of Multifamily Housing Assistance Restructuring

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT: Eliot C. Horowitz, Senior Advisor to the Assistant Secretary for Housing-Federal Housing Commissioner, Office of Housing, Department of Housing and Urban Development, Room 9110, Washington, DC 20410-8000, telephone (202) 708-0614. (This is not a toll-free number.) Persons with hearing-or speech-impairments may call HUD's toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:**I. Discussion of Redelegation of Authority**

Over the years, the cost to the federal government of assisting affordable, rental housing has increased rapidly. Under their assistance contracts, many projects have been charging rents that far exceed those charged for comparable units in unassisted housing in the local market. To preserve the low-income housing affordability and availability of these units, while reducing the long-term costs of project based assistance, Congress enacted the Multifamily Assisted Housing Reform and Affordability Act, Title V. of Public Law 105-65 (approved October 27, 1997) (42 U.S.C. 1437) (MAHRA). On January 10, 2002, the President signed the Mark-to-Market Extension Act of 2001, Title VI of Public Law 107-342. The Mark-to-Market Extension Act of 2001 amended certain programmatic and administrative provisions of MAHRA.

MAHRA seeks to ensure the long-term viability of multifamily projects that (1)

receive project-based rental assistance from HUD (primarily through the section 8 program) and (2) have Secretary held or insured mortgage financing through the Federal Housing Administration (FHA). MAHRA established a new office within HUD, the Office of Multifamily Housing Assistance Restructuring (OMHAR) that is responsible for carrying out the purposes of the Act and enables OMHAR to restructure the mortgage financing of the Secretary-held or HUD-insured projects as well as the project-based assistance.

Section 571 of MAHRA establishes OMHAR within the Department of Housing and Urban Development. Section 572 states that the Office shall be under the management of a Director appointed by the President. The Mark-to-Market Extension Act of 2001 amended section 578 of MAHRA to provide that all authority and responsibilities of the Director shall be carried out through, and under the oversight of, the Federal Housing Commissioner. In addition, the legislation states that OMHAR shall have a Deputy Director, appointed by the Director, who shall have powers and duties defined by the Director and who shall, in the absence of the Director, serve as the Acting Director.

The organization of OMHAR consists of both a Headquarters and a Field Office structure. Within Headquarters, transactions are decided by the OMHAR Director, Deputy Directors, a Field Liaison and a Loan Committee. The Field structure is comprised of four Production Offices. Each Production Office has a Portfolio Director who oversees the mortgage and/or assistance restructurings, as well as a Deputy Portfolio Director and a Loan Committee. As of April 2002, the OMHAR Production Offices are located in New York, Chicago, San Francisco, and Washington, DC.

Section 573 of MAHRA, captioned "Duty and Authority of Director," provides in part that "the Secretary shall, acting through the Director, administer the program of mortgage and rental assistance restructuring and that the Director may delegate to officers and employees of the Office (but not to contractors, subcontractors, or consultants) any of the functions, powers, and duties of the Director, as the Director considers appropriate."

In order to accomplish restructuring transactions, the Director of OMHAR requires certain authority that has been delegated by the HUD Secretary to the Assistant Secretary of Housing-Federal Housing Commissioner and that can be redelegated by the Assistant Secretary.

The authority to be delegated herein will enable OMHAR to modify the terms of insured or Secretary-held mortgages, determine the type and amount of section 8 assistance that would be provided to a project, approve mortgage prepayments, in whole or part, issue firm commitments and endorse mortgage notes for FHA-insurance for refinancing cases, and approve transfers of physical assets. The Director of OMHAR has, in the past, redelegated certain functions in order to facilitate the development and efficient review of Restructuring Plans, Restructuring Commitments and rent restructuring (OMHAR Lite) applications while continuing to ensure the integrity of OMHAR's work product. These redelegations have allowed the approval of certain Restructuring Commitments and OMHAR Lite applications to be performed by Portfolio Directors, Deputy Directors, Production Loan Committees, and a Headquarters Loan Committee. Under the authority redelegated herein, the Director may modify these redelegations.

The specific authorities redelegated are set forth in Section II. of this notice.

II. Authority Redelegated

The Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing—Deputy Federal Housing Commissioner retain and redelegate to the Director, Office of Multifamily Housing Assistance Restructuring the power and authority described as follows:

Authority is redelegated, on a nationwide basis, to exercise the following functions, in making decisions under MAHRA, that are binding upon the Department of Housing and Urban Development in the conduct of any mortgage and/or assistance restructuring transaction:

(1) Modify the principal balance, payments, interest rate, and amortization period and other terms of existing FHA insured and HUD-held mortgages;

(2) Approve a prepayment, in whole or part, of an insured mortgage note pursuant to section 517(b)(1) of MAHRA;

(3) Determine the type of rental assistance and the section 8 contract rent levels, pursuant to sections 514 and 515 of MAHRA;

(4) Determine the Section 8 contract rent levels for eligible properties referred to OMHAR whose debt is not restructured pursuant to section 524(a)(1) of MAHRA;

(5) Issue a firm commitment for FHA mortgage insurance and endorse the

mortgage note for FHA mortgage insurance under the state housing finance agency risk sharing provisions of section 542(c) of the Housing and Community Development of 1992 (Public Law 102-550, approved October 28, 1992);

(6) Issue a firm commitment for FHA mortgage insurance and endorse the mortgage note for FHA mortgage insurance under the Government Sponsored Enterprises risk sharing provisions of section 542(b) of the Housing and Community Development of 1992 (Public Law 102-550, approved October 28, 1992);

(7) Issue HUD forms 92264 and 92264A upon approval of a restructuring plan;

(8) Approve Transfers of Physical assets;

(9) Approve Environmental Assessment and Compliance Findings for related Laws report, HUD form 4128.1;

(10) Issue a commitment to insure and endorse for insurance a mortgage note given to refinance a HUD insured or HUD-held mortgage, pursuant to section 223(a)(7) of the National Housing Act (12 U.S.C. 1715n);

(11) Select participating administrative entities, enter into and carry out the Secretary's duties under portfolio restructuring agreements, pursuant to section 513 of MAHRA;

(12) Compensate third parties under section 517(b)(5) of MAHRA;

(13) Apply project accounts under section 517(b)(6) of MAHRA.

III. Authority Excepted

The authority delegated in section II. does not include the authority to waive regulations under the program jurisdiction of the Assistant Secretary for Housing.

IV. Prior Delegations Revoked and/or Superseded

All prior redelegations of authority to the Director of OMHAR are hereby revoked or superseded.

V. Revocation of Authority

The Assistant Secretary for Housing-Federal Housing Commissioner may revoke the authority authorized herein, in whole or part, at any time. Any revocation or modification of a redelegation will be published in the **Federal Register**.

Authority: Section 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

Dated: August 11, 2003.

John C. Weicher,

Assistant Secretary for Housing-Federal Housing Commissioner.

[FR Doc. 03-21243 Filed 8-19-03; 8:45 am]

BILLING CODE 4210-27-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4837-D-06]

Delegations of Authority for the Office of Housing-Federal Housing Administration, Deputy Assistant Secretary for Finance and Budget

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

ACTION: Notice of revocation and redelegation of authority to the Office of Finance and Budget.

SUMMARY: Published elsewhere in today's **Federal Register** is a revised delegation of authority for Housing Programs from the Secretary of HUD to the Assistant Secretary for Housing-Federal Housing Commissioner and the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner. This notice advises the public of redelegation of authority from the Assistant Secretary and General Deputy Assistant Secretary to the Deputy Assistant Secretary for Finance and Budget.

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT:

Sandy Allison, Associate Deputy Assistant Secretary for Finance and Budget, Office of Housing, Department of Housing and Urban Development, Room 9110, Washington, DC 20410-8000, telephone (202) 708-2601. (This is not a toll-free number.) Persons with hearing or speech impairments may call HUD's toll-free Federal Information Relay at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

Section I. Deputy Assistant Secretary for Finance and Budget: Organization

On July 19, 2002, HUD established a new position within the Office of Housing, which includes the Federal Housing Administration (FHA). The new position is the Deputy Assistant Secretary for Finance and Budget (FAB). Under the new organization, four offices report to the FAB Deputy Assistant Secretary. These are the (1) Office of Evaluation; (2) Office of Budget and Field Resources; (3) Office of Asset Sales; and (4) Office of the Housing-FHA Comptroller. The following is a brief summary of each of these offices.

A. Office of Evaluation: The Office of Evaluation assesses the financial impact of new or revised HUD/FHA programs and policies, new or proposed legislation, and/or new or proposed rules and regulations of the Office of Management and Budget (OMB), the General Accounting Office (GAO), or the Department of Treasury. Based on these assessments, the office develops recommendations, alternatives, and various scenarios used by managers to determine appropriate actions. The Office is responsible for actuarial analyses and cash flow projections of the FHA insurance funds and evaluates relationships between current market conditions and FHA program goals and objectives. The Office uses both internal and external resources to estimate the financial impact of policy changes or external factors (such as regional recessions or natural disasters) on FHA programs. The following additional functions are conducted by the Office of Evaluation: monitoring daily cash flows to make sound investments; conducting quarterly analyses of economic developments; and on-going actuarial analyses of FHA's insurance funds.

B. The Office of Budget and Field Resources: The Office of Budget and Field Resources is responsible for the formulation, presentation, and execution of the Office of Housing's program and administrative budgets. This includes fund assignments and control, financial resource management, coordination of financial resources in support of Field operations, and budget analysis and reporting. The Office is responsible for analyzing and evaluating the financial and budgetary impact of new or revised Housing programs and policies, proposed legislation, and new or revised OMB, GAO, or Treasury guidance. The responsibilities and duties of personnel within the Office of Budget and Field Resources pertain to internal HUD matters, do not require rendering decisions that bind HUD in relation to external clients and customers, and therefore, do not require delegations of authority.

C. Office of Asset Sales: The Office of Asset Sales oversees the disposition of mortgage notes acquired by Housing upon a default by the mortgagor and assignment of the note to FHA in return for the payment of a claim. The Office is responsible for the sale of single family, multifamily, and hospital notes in the manner most advantageous to the Government. The Office develops alternative disposition methods that will reduce the acquisition and holding costs of these assets while increasing recovery upon sale.