

and Urban Development, Room 7262, 451 Seventh Street SW., Washington, DC 20410; telephone (202) 708-1234; TTY number for the hearing- and speech-impaired (202) 708-2565, (these telephone numbers are not toll-free), or call the toll-free Title V information line at 1-800-927-7588.

**SUPPLEMENTARY INFORMATION:** In accordance with the December 12, 1988 court order in *National Coalition for the Homeless v. Veterans Administration*, No. 88-2503-OG (D.D.C.), HUD publishes a Notice, on a weekly basis, identifying unutilized, underutilized, excess and surplus Federal buildings and real property that HUD has reviewed for suitability for use to assist the homeless. Today's Notice is for the purpose of announcing that no additional properties have been determined suitable or unsuitable this week.

Dated: August 12, 2004.

**Mark R. Johnston,**

*Director, Office of Special Needs Assistance Programs.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4513-N-17]

### Credit Watch Termination Initiative

**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 the 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 (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 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 19th review period, HUD is only 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 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 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 review must be conducted and issued by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as provided 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 20410-8000 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
Alliance Mortgage Banking Corp .....	1025 Old Country Road, Westbury, NY 11590.	New York, NY .....	5/24/2004	Philadelphia.
Alliance Mortgage Banking Corp .....	366 North Broadway, Jericho, NY 11753.	New York, NY .....	5/22/2004	Philadelphia.
American Lending Group Inc .....	4260 Shoreline Dr., Ste. 185 Earth City, MO 63045.	St. Louis, MO .....	6/29/2004	Denver.
American Union Mortgage Inc .....	5250 S. Commerce Dr., Ste. 101, Murray, UT 84107.	Salt Lake City, UT .....	6/29/2004	Denver.
America's Mortgage Resource Inc .....	3317 N. I-10 Service Road, Metairie, LA 70003.	New Orleans, LA .....	6/29/2004	Denver.
Amerifirst Financial Corp .....	616 W. Centre Ave., Portage, MI 49024	Detroit, MI .....	6/29/2004	Philadelphia.
Amerifirst Financial Corp .....	616 W. Centre Ave., Portage, MI 49024	Flint, MI .....	6/29/2004	Philadelphia.
Approved Financial Inc .....	9400 W. Foster Ave., Ste. 211 Chicago, IL 60656.	Chicago, IL .....	6/29/2004	Atlanta.
Arcadia Mortgage Inc .....	802 East Winchester #100, Murray, UT 84107.	Salt Lake City, UT .....	6/29/2004	Denver.
CCSF Inc .....	1050 E. Flamingo Rd., Ste. 237-N, Las Vegas, NV 89119.	Las Vegas, NV .....	6/29/2004	Denver.
Choice One Mortgage Inc .....	11024N. 28th Drive, Ste. 240, Phoenix, AZ 85029.	Phoenix, AZ .....	6/29/2004	Santa Ana.
Columbia National Inc .....	1111 West 22nd St., Ste. 225, Oak Brook, IL 60523.	Chicago, IL .....	6/29/2004	Atlanta.
Community Mortgage Inc .....	7290 Cherokee Plaza, Oklahoma City, OK 73132.	Oklahoma, OK .....	6/29/2004	Denver.
Crossmann Mortgage Inc .....	9202 N. Meridian St., Ste. 120, Indianapolis, IN 46260.	Indianapolis, IN .....	7/1/2004	Atlanta.
First Service Mortgage Inc .....	3581 Main St., College Park, GA 30337	Atlanta, GA .....	6/29/2004	Atlanta.
Gateway Funding Diversified Mtg .....	300 Welsh Rd., Bldg. 5, Horsham, PA 19044.	Philadelphia, PA .....	6/29/2004	Philadelphia.
Global Financial Services .....	172 West St., Annapolis, MD 21401 .....	Baltimore, MD .....	5/22/2004	Philadelphia.
Loanamerica Home Mtg. Inc .....	9494 Southwest Freeway, Ste. 450, Houston, TX 77074.	Houston, TX .....	6/29/2004	Denver.
Perimeter Mortgage Funding .....	1770 Indian Trail Rd., Ste. 400, Norcross, GA 30093.	Birmingham, AL .....	6/29/2004	Atlanta.
Premier Mortgage Services .....	1930 East Fort Union Blvd., Salt Lake City, UT 84121.	Salt Lake City, UT .....	6/29/2004	Denver.
Professional Lending LCC .....	3523 Walton Way Ext., Augusta, GA 30909.	Atlanta, GA .....	6/29/2004	Atlanta.
Southwest Funding, L.P. previously known as Texas Residential Mortgage LP.	8848 Greenville Ave., Dallas, TX 75243	Dallas, TX .....	6/29/2004	Denver.
Total Mortgage Corp .....	32900 Five Mile, Ste. 100 Livonia, MI 48154.	Detroit, MI .....	6/29/2004	Philadelphia.
US Mortgage Corp .....	19 D Chapin Road, Pine Brook, NJ 07058.	Newark, NJ .....	6/29/2004	Philadelphia.
World Wide Financial Services .....	26500 Northwestern Hwy., Fl. 4, Southfield, MI 48076.	Detroit, MI .....	6/29/2004	Philadelphia.

Dated: August 12, 2004.

**Sean Cassidy,**

*General Deputy, Assistant Secretary for Housing.*

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