

exceptions to the Buy American requirement:

1. *Cambridge Housing Authority.* Upon request of the Cambridge Housing Authority, HUD granted an exception to applicability of the Buy American requirements with respect to work, using CFRFC grant funds, in connection with the Lincoln Way and Jackson Garden projects. The exception was granted by HUD on the basis that the relevant manufactured goods (energy efficient bathroom exhaust fans) are not produced in the U.S. in sufficient and reasonably available quantities or of satisfactory quality.

2. *Cambridge Housing Authority.* Upon request of the Cambridge Housing Authority, HUD granted an exception to applicability of the Buy American requirements with respect to work, using CFRFC grant funds, in connection with the Lyndon B. Johnson Apartments project. The exception was granted by HUD on the basis that the relevant manufactured goods (solar panels and linoleum) are not produced in the U.S. in sufficient and reasonably available quantities or of satisfactory quality.

3. *Housing Authority of the City of Columbia.* Upon request of the Housing Authority of the City of Columbia, HUD granted an exception to applicability of the Buy American requirements with respect to work, using CFRFC grant funds, in connection with the Paquin Towers project. The exception was granted by HUD on the basis that the relevant manufactured goods (a VRV HVAC system) is not produced in the U.S. in sufficient and reasonably available quantities or of satisfactory quality.

Dated: September 24, 2010.

**Deborah Hernandez,**  
General Deputy Assistant Secretary for Public and Indian Housing.

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5411-N-03]

### 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 43rd 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 that 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 address	HUD office jurisdictions	Termination effective date	Homeownership centers
Access National Mortgage Corporation.	1800 Robert Fulton Drive, Ste 350, Reston, VA 20191.	Atlanta .....	7/9/2010	Atlanta.
Access National Mortgage Corporation.	1800 Robert Fulton Drive, Ste 350, Reston, VA 20191.	Boston .....	7/9/2010	Philadelphia.
Access National Mortgage Corporation.	1800 Robert Fulton Drive, Ste 350, Reston, VA 20191.	Greensboro .....	7/9/2010	Atlanta.
Allied Home Mortgage Capital Corporation.	6110 Pinemont Drive, Ste 215, Houston, TX 77092.	Baltimore .....	5/27/2010	Philadelphia.
1st Continental Mortgage Inc .....	2691 E. Oakland Park Blvd., Ste 2, Ft. Lauderdale, FL 33306.	Tampa .....	5/20/2010	Atlanta.
American First Mortgage LLC .....	7155 Kerr Plaza, Olive Branch, MS 38654 .....	Memphis .....	5/20/2010	Atlanta.
Amerinet Financial LLC .....	16201 Trade Zone Ave, Ste 101, Upper Marlboro, MD 20774.	Washington .....	5/20/2010	Philadelphia.
Associated Capital Resources Inc	706 East Bell Road, Ste 100, Phoenix, AZ 85022	Phoenix .....	5/20/2010	Santa Ana.
Castle Home Mortgage Corp .....	1600 Route 22, East, Union, NJ 07083 .....	Newark .....	5/20/2010	Philadelphia.
Dell Franklin Financial LLC .....	7061 Columbia Gateway Dr, Ste 110, Columbia, MD 21046.	Washington .....	5/20/2010	Philadelphia.
Dell Franklin Financial LLC .....	7061 Columbia Gateway Dr, Ste 110, Columbia, MD 21046.	Richmond .....	5/20/2010	Philadelphia.
EMI Equity Mortgage INC .....	1651 Ave Ponce De Leon, San Juan, PR 00909	Caribbean .....	5/28/2010	Atlanta.
First Mortgage Group INC .....	118 Moulton Street East, Ste 2, Decatur, AL 35601.	Birmingham .....	5/28/2010	Atlanta.
Fox Valley Mortgage Group .....	455 East Main Street, East Dundee, IL 60118 ....	Chicago .....	7/9/2010	Philadelphia.
Hanover Funding INC .....	7 Kingsbridge Road, Fairfield, NJ 07004 .....	Newark .....	5/20/2010	Philadelphia.
JPMorgan Chase Bank NA .....	900 Stewart Avenue, Garden City, NY 11530 ....	Atlanta .....	7/11/2010	Atlanta.
JPMorgan Chase Bank NA .....	900 Stewart Avenue, Garden City, NY 11530 ....	New Orleans .....	7/11/2010	Denver.
Key Financial Corporation .....	3631 131st Avenue North, Clearwater, FL 33762-4263.	Baltimore .....	7/1/2010	Philadelphia.
Midwest Funding Group .....	6343 Presidential Gateway, Columbus, OH 43231-7695.	Columbus .....	5/20/2010	Atlanta.
Mortgage Plus INC .....	67 Walnut Avenue, Ste 310, Clark, NJ 07066-1687.	Newark .....	5/28/2010	Philadelphia.
Pacific Coast Mortgage INC .....	6991 East Camelback Rd., Ste C250, Scottsdale, AZ 85251-2452.	Phoenix .....	5/28/2010	Santa Ana.
Preferred Lending Group LLC .....	9700 63rd Ave. N Ste 205, Maple Grove, MN 55369.	Minneapolis .....	6/1/2010	Denver.
Real Estate Mortgage Network, Inc.	70 Grand Avenue, River Edge, NJ 07661 .....	Atlanta .....	7/2/2010	Atlanta.
Residential Mortgage Corp .....	1332 Andrea Street, Bowling Green, KY 42104-3334.	Louisville .....	6/1/2010	Atlanta.
Summit Funding .....	2601 Fair Oaks Boulevard, Sacramento, CA 95864.	Fort Worth .....	7/1/2010	Denver.

Dated: September 23, 2010.

**David H. Stevens,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5411-N-04]

### Credit Watch Termination Initiative Termination of Direct Endorsement (DE) Approval

**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 Direct Endorsement (DE) Approval 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 DE Approval 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 Approval Agreements terminated. On January 21, 2010 HUD issued Mortgagee Letter 2010-03 which advised the extended procedures for