

§ 30.50

(i) *Exceptions.* The Secretary may not impose penalties under this section for a violation, if a material cause of the violation is the failure of the Secretary, an agent of the Secretary, or a public housing agency to comply with an existing agreement.

[66 FR 63441, Dec. 6, 2001, as amended at 68 FR 12788, Mar. 17, 2003; 72 FR 5588, Feb. 6, 2007; 74 FR 2751, Jan. 15, 2009; 78 FR 4059, Jan. 18, 2013; 81 FR 38935, June 15, 2016; 82 FR 24524, May 30, 2017; 83 FR 32793, July 16, 2018; 84 FR 9453, Mar. 15, 2019; 85 FR 13044, Mar. 6, 2020; 86 FR 14373, Mar. 16, 2021; 87 FR 24420, Apr. 26, 2022; 88 FR 9748, Feb. 15, 2023]

§ 30.50 GNMA issuers and custodians.

(a) *General.* The President of GNMA, or his or her designee, may initiate a civil money penalty action against a GNMA issuer or custodian that knowingly and materially violates any provision of 12 U.S.C. 1723i(b), title III of the National Housing Act, or any implementing regulation, handbook, guaranty agreement, or contractual agreement, or participant letter issued by GNMA, or fails to comply with the terms of a settlement agreement with GNMA.

(b) *Continuing violation.* Each day that a violation continues shall constitute a separate violation.

(c) *Amount of penalty.* The maximum penalty is \$11,864 for each violation, up to a limit of \$2,372,677 during any one-year period. Each violation shall constitute a separate violation with respect to each pool of mortgages.

[61 FR 50215, Sept. 24, 1996, as amended at 68 FR 12788, Mar. 17, 2003; 72 FR 5588, Feb. 6, 2007; 78 FR 4059, Jan. 18, 2013; 81 FR 38935, June 15, 2016; 82 FR 24524, May 30, 2017; 83 FR 32793, July 16, 2018; 84 FR 9453, Mar. 15, 2019; 85 FR 13044, Mar. 6, 2020; 86 FR 14373, Mar. 16, 2021; 87 FR 24420, Apr. 26, 2022; 88 FR 9748, Feb. 15, 2023]

§ 30.60 Dealers or sponsored third-party originators.

(a) *General.* The Assistant Secretary for Housing-Federal Housing Commissioner, or his or her designee, may initiate a civil money penalty action against any dealer or sponsored third-party originator that violates section 2(b)(7) of the National Housing Act (12

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U.S.C. 1703). Such violations include, but are not limited to:

(1) Falsifying information on an application for dealer approval or re-approval submitted to a lender;

(2) Falsifying statements on a HUD credit application, improvement contract, note, security instrument, completion certificate, or other loan document;

(3) Failing to sign a credit application if the dealer or sponsored third-party originator assisted the borrower in completing the application;

(4) Falsely certifying to a lender that the loan proceeds have been or will be spent on eligible improvements;

(5) Falsely certifying to a lender that the property improvements have been completed;

(6) Falsely certifying that a borrower has not been given or promised any cash payment, rebate, cash bonus, or anything of more than nominal value as an inducement to enter into a loan transaction;

(7) Making a false representation to a lender with respect to the creditworthiness of a borrower or the eligibility of the improvements for which a loan is sought.

(b) *Continuing violation.* Each day that a violation continues shall constitute a separate violation.

(c) *Amount of penalty.* The maximum penalty is \$11,864 for each violation, up to a limit for any particular person of \$2,372,677 during any one-year period.

[61 FR 50215, Sept. 24, 1996, as amended at 68 FR 12788, Mar. 17, 2003; 72 FR 5588, Feb. 6, 2007; 77 FR 51467, Aug. 24, 2012; 78 FR 4059, Jan. 18, 2013; 81 FR 38935, June 15, 2016; 82 FR 24524, May 30, 2017; 83 FR 32793, July 16, 2018; 84 FR 9453, Mar. 15, 2019; 85 FR 13044, Mar. 6, 2020; 86 FR 14373, Mar. 16, 2021; 87 FR 24420, Apr. 26, 2022; 88 FR 9748, Feb. 15, 2023]

§ 30.65 Failure to disclose lead-based paint hazards.

(a) *General.* The Director of the Office of Lead Hazard Control and Healthy Homes, or his or her designee, may initiate a civil money penalty action against any person who knowingly violates 42 U.S.C. 4852d.