

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

[Docket No. FR-5030-C-17A]

**Notice of HUD's Fiscal Year (FY) 2006  
Notice of Funding Availability, Policy  
Requirements and General Section to  
SuperNOFA for HUD's Discretionary  
Grant Programs; Technical Assistance  
Areas for the Lead Outreach Program  
NOFA**

**AGENCY:** Office of the Assistant Secretary for Administration, HUD.

**ACTION:** Notice of HUD's Fiscal Year (FY) 2006 Notice of Funding Availability, Policy Requirements and General Section to SuperNOFA for HUD's Discretionary Grant Programs; Technical Assistance Areas for the Lead Outreach Program NOFA.

**SUMMARY:** On January 20, 2006, HUD published its Fiscal Year (FY) 2006, Notice of Funding Availability Policy Requirements and General Section (General Section) to the SuperNOFA for HUD's Discretionary Programs. On March 8, 2006, HUD published its Fiscal Year (FY) 2006, SuperNOFA, for HUD's Discretionary Grant Programs. Included in the 2006 SuperNOFA Programs is the Lead Outreach Program. This Notice provides additional information on areas in which technical assistance services are potentially needed. It was developed in response to a question asked during the SuperNOFA broadcast for the FY 2006 Lead Outreach NOFA.

**SUPPLEMENTARY INFORMATION:** On April 4, 2006, HUD held its SuperNOFA broadcast for the Lead Outreach Notice of Funding Availability. A question was asked in regard to page 11848, section II, Terms of Award, third column, on the number of lead grantees in each geographic area and the estimated number of lead grantees requiring technical assistance in each geographic area. This table is posted to HUD's Web site at <http://www.hud.gov/offices/adm/grants/nofa06/grplead.cfm>. The table provides applicants for the Technical Assistance activity category of the FY 2006 Lead Outreach NOFA with the number of current lead grantees by area and the estimated number of grantees that a technical assistance provider may be asked to service. In summary, in the Eastern United States (HUD Regions I, II, III and IV), there are currently 105 lead grantees, of which 22 may need technical assistance; in the Central United States and Midwest (HUD Regions V, VI, VII and VIII), there are currently 84 lead grantees, of which 5 may need technical assistance; in the Western United States (HUD Regions IX

and X), there are currently 34 lead grantees, of which 6 may need technical assistance. Nationwide, there are currently 223 lead grantees, of which 33 may need technical assistance.

If you have questions regarding this Notice, please contact Jonnette Hawkins, Office of Healthy Homes and Lead Hazard Control, telephone 202-708-0614, extension 7593 (this is not a toll-free number); or via e-mail at [Jonnette\\_G.\\_Hawkins@hud.gov](mailto:Jonnette_G._Hawkins@hud.gov). If you are a hearing-or speech-impaired person, you may reach the above telephone number through TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

Dated: May 9, 2006.

**Jon L. Gant,**

*Director for the Office of Healthy Homes and Lead Hazard Control.*

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**DEPARTMENT OF HOUSING AND  
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[Docket No. FR-4513-N-23]

**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 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 Mortgage 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 25th 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(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.