

**A. Overview of Information Collection***Title of Information Collection:*

Performing Loan Servicing for the Home Equity Conversion Mortgage (HECM).

*OMB Approval Number:* 2502–0611.

*Type of Request:* Extension.

*Form Numbers:* HUD–27011, HUD–50002, HUD–50012.

*Description of the need for the information and proposed use:* This information request is a comprehensive collection of requirements for mortgagees that service HECM mortgages and the HECM borrowers, who are involved with servicing-related activities that includes collection and payment of mortgage insurance premiums, escrow account administration, providing loan information and customer service.

*Respondents:* Individuals or households and Servicers of HECM Mortgagees.

*Estimated Number of Respondents:* 10.

*Estimated Number of Responses:* 21,345,312.

*Frequency of Response:* On occasion.

*Average Hours per Response:* 0.07 (4 minutes).

*Total Estimated Burdens:* 1,451,562.

**B. Solicitation of Public Comment**

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) The accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and (4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comments in response to these questions.

**C. Authority**

Section 2 of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507.

Assistant Secretary for Housing—Federal Housing Commissioner, Janet M. Golrick, having reviewed and approved this document, is delegating the authority to electronically sign this document to submitter, Nacheshia Foxx,

who is the Federal Register Liaison for HUD, for purposes of publication in the **Federal Register**.

**Nacheshia Foxx,**

*Federal Register Liaison for Department of Housing and Urban Development.*

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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR–6246–N–01]**

**Mortgagee Review Board: Administrative Actions**

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

**ACTION:** Notice.

**SUMMARY:** In compliance with Section 202(c)(5) of the National Housing Act, this notice advises of the cause and description of administrative actions taken by HUD's Mortgagee Review Board against HUD-approved mortgagees.

**FOR FURTHER INFORMATION CONTACT:**

Nancy A. Murray, Secretary to the Mortgagee Review Board, 451 Seventh Street SW, Room B–133/3150, Washington, DC 20410–8000; telephone (202) 402–2701 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Service at (800) 877–8339.

**SUPPLEMENTARY INFORMATION:** Section 202(c)(5) of the National Housing Act (12 U.S.C. 1708(c)(5)) requires that HUD “publish a description of and the cause for administrative action against a HUD-approved mortgagee” by HUD's Mortgagee Review Board (“Board”). In compliance with the requirements of Section 202(c)(5), this notice advises of actions that have been taken by the Board in its meetings from the beginning of the FY 20 fiscal year, October 1, 2019, through September 30, 2020 where settlement agreements have been reached or notices of administrative actions (withdrawals) have been issued.

**I. Civil Money Penalties, Withdrawals of FHA Approval, Suspensions, Probations, and Reprimands**

*1. 1st Financial Inc., Millersville, MD [Docket No. 19–2038–MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with 1st Financial Inc. (“1st Financial”) that included a civil money

penalty of \$14,819. The settlement did not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: 1st Financial (a) failed to notify HUD of a state sanction during fiscal year 2018; and (b) submitted a false certification to HUD concerning 1st Financial's fiscal year 2018. The settlement does not constitute an admission of liability or fault.

*2. A1 Mortgage Group LLC, Lees Summit, MO [Docket No. 18–1908–MR]*

*Action:* On June 26, 2019, the Board voted to withdraw the FHA approval of A1 Mortgage Group LLC (“A1 Mortgage”) for a period of one year.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: A1 Mortgage (a) failed to maintain the minimum required adjusted net worth in fiscal year 2017; and (b) submitted a false certification to HUD concerning A1 Mortgage's fiscal year 2017.

*3. Access Capital Funding, LLC, Chesterfield, MO [Docket No. 19–2050–MR]*

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Access Capital Funding, LLC (“Access Capital”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Access Capital failed to maintain the minimum required adjusted net worth in fiscal year 2018.

*4. Acre Mortgage & Financial Inc., Marlton, NJ [Docket No. 19–1951–MR]*

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Acre Mortgage & Financial Inc. (“Acre Mortgage”) that included a civil money penalty of \$32,123 and the indemnification of two FHA-insured loans that had not yet resulted in an insurance claim with one for a period of five years and the second for the life of the loan. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Acre Mortgage (a) failed to ensure HUD's new construction requirements were met; (b) failed to ensure that HUD's self-employment income requirements were met; (c) failed to maintain the minimum required adjusted net worth in fiscal

year 2018; (d) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018; (e) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; and (f) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

*5. American Nationwide Mortgage Company, Inc., Tampa, FL [Docket No. 20-2012-MR]*

*Action:* On September 1, 2020, the Board voted to enter into a settlement agreement with American Nationwide Mortgage Company, Inc. (“American Nationwide”) that included a civil money penalty of \$19,468. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: American Nationwide (a) failed to notify HUD of sanctions in fiscal years 2016, 2018, and 2019; and (b) submitted false certifications to HUD concerning American Nationwide’s fiscal years 2016 and 2018.

*6. Aspire Lending, Dallas, TX [Docket No. 19-2051-MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Aspire Lending (“Aspire”) that included a civil money penalty of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Aspire failed to maintain the minimum required adjusted net worth during fiscal year 2018.

*7. Atlantic Pacific Mortgage Corporation, Mount Laurel, NJ [Docket No. 19-1950-MR]*

*Action:* On December 17, 2019, the Board voted to withdraw the FHA approval of Atlantic Pacific Mortgage Corporation (“Atlantic Pacific”) for a period of three years and to file a complaint for \$99,000 in civil money penalties.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Atlantic Pacific (a) failed to timely submit acceptable audited financial statement(s) and supplementary reports concerning fiscal year 2018; (b) failed to properly calculate the borrowers’ debts for three FHA-insured loans; (c) failed to properly calculate the borrowers’ income for three FHA-insured loans; (d) failed to properly document the source/

adequacy of funds used for the down payment or closing costs for one FHA-insured loan; (e) failed to properly document acceptable credit history for one FHA-insured loan; and (f) failed to ensure the property met HUD’s minimum property requirements for two FHA-insured loans.

*8. Banc of California, NA dba Banc Home Loans, Santa Ana, CA [Docket No. 18-1855-MR]*

*Action:* On July 16, 2020, the Board voted to enter into a settlement agreement with Banc of California that included a civil money penalty of \$350,000, the refund to borrowers of improperly assessed fees, the submission of its Quality Control Plan for HUD’s review and approval, and the indemnification of FHA-insured loans that had not yet resulted in an insurance claim, ten for a term of five years and fourteen for the life of the respective loan. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Banc of California (a) maintained a Quality Control Plan that failed to meet HUD’s requirements; (b) failed to properly document gift funds; (c) failed to accurately calculate, analyze and document borrower income; (d) failed to properly document loan binders; (e) charged borrowers unallowable or excessive fees; (f) endorsed loans late without the required lender certifications; (g) failed to reconcile discrepancies between loan files and data in FHA Connection; (h) maintained case binders with missing, unsigned, or inaccurate Closing Disclosures, HUD-1 Settlement Statements, Settlement Certificates and Addenda to the HUD-1; (i) failed to obtain satisfactory mortgage or rental verification; (j) failed to document verification of borrowers against CAIVRS, the Limited Denial of Participation list and General Services Administration list as required; (k) failed to obtain a current mortgage payoff statement; (l) failed to resolve discrepancies in a borrower’s social security number; and (m) failed to retain required forms in the case binder.

*9. Bay-Valley Mortgage Group, Garden Grove, CA [Docket No. 20-2004-MR]*

*Action:* On September 1, 2020, the Board voted to enter into a settlement agreement with Bay-Valley Mortgage Group that included a civil money penalty of \$9,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation

of HUD requirements: Bay-Valley Mortgage Group failed to timely notify HUD of a sanction in fiscal year 2019.

*10. BNB Financial Inc., Glendale, CA [Docket No. 20-2006-MR]*

*Action:* On September 1, 2020, the Board voted to enter into a settlement agreement with BNB Financial (“BNB Financial”) that required BNB Financial to pay a civil money penalty in the amount of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: BNB failed to maintain the minimum required adjusted net worth in fiscal year 2019.

*11. CBC Mortgage Agency dba Chenoa, South Jordan, UT [Docket No. 20-2043-MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with CBC Mortgage Agency (“CBC Mortgage”) that included a civil money penalty of \$12,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: CBC Mortgage falsely advertised its down payment assistance program as “HUD approved.”

*12. Centralbanc Mortgage Corporation, Bellevue, WA [Docket No. 20-2010-MR]*

*Action:* On September 1, 2020, the Board voted to enter into a settlement agreement with Centralbanc Mortgage Corporation (“Centralbanc”) that included a civil money penalty of \$14,189. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Centralbanc (a) failed to timely notify HUD of a state sanction in its fiscal year 2018; and (b) submitted a false certification to HUD concerning Centralbanc’s fiscal year 2018.

*13. Columbus Capital Lending, LLC, Miami, FL [Docket No. 19-2032-MR]*

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Columbus Capital Lending, LLC (“Columbus Capital”) that included a civil money penalty of \$10,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Columbus Capital (a) failed to maintain

the minimum required liquid assets in fiscal year 2018; and (b) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018.

**14. CommonFund Mortgage Corporation, Syracuse, NY [Docket No. 19-2026-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with CommonFund Mortgage Corporation (“CommonFund”) of payment of civil money penalties of \$14,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: CommonFund (a) failed to notify HUD of a sanction in fiscal year 2018; and (b) submitted a false certification to HUD concerning CommonFund’s fiscal year 2018.

**15. Cooperativa de Ahorro y Credito de Aguada, Aguada, PR [Docket No. 19-2024-MR]**

*Action:* On December 17, 2019, the Board voted to withdraw the FHA approval of Cooperativa de Ahorro y Credito de Aguada for a period of one year.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Cooperativa de Ahorro y Credito de Aguada failed to maintain the minimum required adjusted net worth in fiscal year 2018.

**16. Cooperativa de Ahorro y Crédito de Rincón, Rincón, PR [Docket No. 19-2023-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Cooperativa de Ahorro y Credito de Rincón (“Rincón”) that included a civil money penalty of \$10,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Rincón (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; and (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018.

**17. Credence Funding Corporation, Aberdeen, MD [Docket No. 18-1873-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Credence Funding Corporation that included a civil money

penalty of \$9,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Credence Funding Corp (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; and (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018.

**18. DHA Financial LLC, Greenwood Village, CO [Docket No. 19-1954-MR]**

*Action:* On December 17, 2019, the Board voted to withdraw the FHA approval of DHA Financial LLC (“DHA”) for a period of one year.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: DHA (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; and (b) failed to maintain the minimum required adjusted net worth in fiscal year 2019.

**19. Directors Mortgage, Inc., Lake Oswego, OR [Docket No. 19-2043-MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Directors Mortgage, Inc. that included a civil money penalty of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Directors Mortgage failed to timely notify HUD of a sanction in fiscal year 2018.

**20. Dwight Capital LLC, New York, NY [Docket No. 20-2077-MR]**

*Action:* On July 16, 2020, the Board voted to impose a civil money penalty of \$1,081,780 against Dwight Capital LLC (“Dwight Capital”), which was included as part of a subsequent settlement agreement along with a requirement that Dwight Capital provide a plan to HUD to address staffing levels in relation to its loan volume. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Dwight Capital (a) promoted an individual to Chief Underwriter without HUD approval, in violation of the MAP Guide; and (b) had two individuals concurrently designated as Chief Underwriter in violation of the MAP Guide.

**21. Endeavor Capital, LLC, Chesterfield, MO [Docket No. 19-2008-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Endeavor Capital, LLC (“Endeavor”) that included a civil money penalty payment of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Endeavor failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018.

**22. Evesham Mortgage LLC dba 3rd Generation Mortgages, Marlton, NJ [Docket No. 19-1948-MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Evesham Mortgage LLC dba 3rd Generation Mortgages (“Evesham”) that included a civil money penalty of \$37,872 and the indemnification of four FHA-insured loans that had not yet resulted in an insurance claim, three for a term of five years and the fourth for the life of the loan. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Evesham (a) failed to properly document the source and adequacy of funds used to close an FHA insured loan; (b) failed to properly document a borrower’s employment; (c) failed to properly calculate the monthly obligation of a borrower’s student loan debt; and (d) failed to document that a borrower met the net self-sufficiency rental income test for a three-unit property.

**23. EZ Fundings, Inc., Rancho Cucamonga, CA [Docket No. 19-2052-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with EZ Fundings, Inc. (“EZ Fundings”) that included a civil money penalty of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: EZ Fundings failed to timely notify HUD of a state sanction in fiscal year 2018.

**24. Finance of America Reverse, LLC, Tulsa, OK [Docket No. 20-0028-FC]**

*Action:* On January 8, 2020, the Board voted to approve two settlement agreements with Finance of America Reverse, LLC (“FAR”) that included a \$500,000 payment to resolve allegations under the Program Fraud Civil

Remedies Act and a \$1,970,000 payment to resolve allegations under the False Claims Act. The settlements do not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: A mortgagee for which FAR was the successor-in-interest provided appraisers with information to improperly influence the appraised values of properties that subsequently secured FHA-insured mortgages.

**25. Forthright Funding Corporation, Scottsdale, AZ [Docket No. 19-2027-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Forthright Funding Corporation (“Forthright”) that included a civil money penalty of \$15,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Forthright (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018; (c) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; and (d) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

**26. Geauga Savings Bank, Beachwood, OH [Docket No. 19-2018-MRT]**

*Action:* On June 26, 2019, the Board voted to withdraw the FHA approval of Geauga Savings Bank (“Gauga”) for a period of one year. Geauga appealed the withdrawal and, as part of a settlement, the Board rescinded the Notice of Violation such that HUD imposed neither administrative action nor a civil money penalty against Geauga and Geauga remained an FHA-approved lender. The settlement agreement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Geauga failed to timely meet the requirements for annual recertification of its FHA approval.

**27. Global Bancorp dba Versailles Property, Irvine, CA [Docket No. 19-1931-MR]**

*Action:* On December 17, 2019, the Board voted to withdraw Global Bancorp dba Versailles Property (“Global”) for a period of one year.

Global appealed the withdrawal, but voluntarily withdrew the appeal on November 12, 2020.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Global (a) failed to maintain the minimum required adjusted net worth in fiscal year 2017; (b) failed to maintain the minimum required adjusted net worth in fiscal year 2018; (c) failed to maintain the minimum required liquid assets in fiscal year 2018; (d) failed to timely report the failure to maintain the required minimum adjusted net worth and liquid assets in fiscal year 2018; and (e) submitted a false certification to HUD concerning Global’s fiscal year 2017.

**28. Guaranteed Rate Inc., Chicago, IL [Docket No. 20-2068-MR]**

*Action:* On January 8, 2020, the Board voted to authorize a settlement with Guaranteed Rate Inc. (“GRI”) that would ultimately include a payment of \$15,060,000 to resolve allegations made under the False Claims Act. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: GRI (a) compensated underwriters with impermissible commissions; (b) failed to comply with the self-reporting requirements for endorsed loans that were not eligible for endorsement; and (c) employed individuals who engaged in conduct designed to cause the endorsement of loans not eligible for endorsement.

**29. Hallmark Home Mortgage, LLC, Fort Wayne, IN [Docket No. 19-1938-MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Hallmark Home Mortgage LLC (“Hallmark”) that included a civil money penalty of \$9,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Hallmark (a) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; and (b) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

**30. Idaho Central Credit Union, Pocatello, ID [Docket No. 19-2034-MR]**

*Action:* On September 1, 2020, the Board voted to enter into a settlement agreement with Idaho Central Credit Union (“Idaho Central”) that included a

civil money penalty of \$5,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Idaho Central failed to notify HUD of a change to its business structure in fiscal year 2018.

**31. Ideal Home Loans, LLC, Denver, CO [Docket No. 19-2009-MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Ideal Home Loans, LLC (“Ideal”) that included a civil money penalty of \$14,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board voted to accept this offer based on the following alleged violations of HUD requirements: Ideal: (a) Failed to maintain the minimum required adjusted net worth in fiscal year 2018; (b) failed to maintain the minimum required liquid assets in fiscal year 2018; and (c) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018.

**32. JNC Mortgage Company, Inc., El Paso, TX [Docket No. 19-2021-MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with JNC Mortgage Company, Inc. (“JNC Mortgage”) that included a civil money penalty of \$14,319. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: JNC Mortgage (a) failed to timely notify HUD of state sanction in fiscal year 2018; and (b) submitted a false certification to HUD concerning JNC Mortgage’s fiscal year 2018.

**33. Lenox Financial Mortgage Corporation, Santa Ana, CA [Docket No. 19-1971-MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Lenox Financial Mortgage Corporation (“Lenox”) that included a civil money penalty of \$4,500. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Lenox failed to maintain the minimum required adjusted net worth in fiscal year 2017.

34. *Lenox Financial Mortgage Corporation, Santa Ana, CA [Docket No. 20–2008–MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Lenox that included a civil money penalty of \$10,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action on the basis of the following violations of HUD requirements. Lenox (a) failed to timely notify FHA of an operating loss exceeding 20% of its net worth during its fiscal year 2018; and (b) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

35. *Midwest Equity Mortgage, LLC nka Celebrity Home Loans, LLC, Oakbrook Terrace, IL [Docket No. 19–2029–MR]*

*Action:* On May 20, 2020, the Board voted to impose a civil money penalty of \$15,000 against Midwest Equity Mortgage, LLC (“Midwest Equity”), which was included in a subsequent settlement agreement. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Midwest Equity (a) failed to report an operating loss exceeding 20% of its net worth in the third quarter of fiscal year 2018; (b) failed to report an operating loss exceeding 20% of its net worth in the fourth quarter of fiscal year 2018; and (c) failed to notify HUD of a change to its business structure in fiscal year 2018.

36. *Mortgage Capital Associates, Los Angeles, CA [Docket No. 20–2070–MR]*

*Action:* On December 17, 2019, the Board voted to withdraw the FHA approval of Mortgage Capital Associates (“Mortgage Capital”) for a period of one year.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Mortgage Capital failed to timely notify HUD of a sanction in fiscal year 2019.

37. *Mortgage Now Inc., Shrewsbury, NJ [Docket No. 19–1918–MR]*

*Action:* On December 17, 2019, the Board voted to impose a civil money penalty of \$9,623 against Mortgage Now Inc. (“Mortgage Now”), which was included in a subsequent settlement agreement. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements:

Mortgage Now (a) failed to maintain the minimum required adjusted net worth in fiscal year 2017; (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2017; and (c) failed to timely notify HUD of a sanction in fiscal year 2017.

38. *Mortgage Unlimited, LLC, Garfield, NJ [Docket No. 19–2039–MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Mortgage Unlimited, LLC (“Mortgage Unlimited”) that included a civil money penalty of \$9,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Mortgage Unlimited (a) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; and (b) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

39. *myCUMortgage, LLC, Beavercreek, OH [Docket No. 19–2045–MR]*

*Action:* On December 17, 2019, the Board voted to assess a civil money penalty of \$5,000 against myCUMortgage, LLC (“myCUMortgage”), which was included in a subsequent settlement agreement. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: myCUMortgage failed to timely notify HUD of a sanction in fiscal year 2018.

40. *NOVA Financial & Investment Corporation, Tucson, AZ [Docket No. 20–2023–MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with NOVA Financial & Investment Corporation (“NOVA Financial”) that included both an indemnification payment to HUD of \$752,518 to indemnify HUD for seven loans that resulted in a claim for FHA insurance and the indemnification of an eighth loan that had not yet resulted in an insurance claim, for the life of the loan. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: NOVA Financial violated FHA requirements by endorsing or causing to be endorsed FHA-insurance eight FHA-insured loans

that were not eligible for endorsement due to the actions of a criminal fraud scheme involving a now-former loan officer that relied on fraudulent gift letters and gift funds.

41. *Obsidian Financial Services, Inc., Melbourne, FL [Docket No. 19–2023–MR]*

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Obsidian Financial Services, Inc. (“Obsidian”) that included a civil money penalty of \$28,942. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Obsidian (a) failed to timely notify HUD of a sanction in fiscal year 2017; (b) submitted a false certification to HUD concerning Obsidian’s fiscal year 2017; (c) failed to timely notify HUD of a sanction in fiscal year 2018; and (d) submitted a false certification to HUD concerning Obsidian’s fiscal year 2018.

42. *Omega Financial Services Inc., Union, NJ [Docket No. 19–2048–MR]*

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Omega Financial Services (“Omega”) that included a civil money penalty of \$9,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Omega (a) failed to maintain the minimum required liquid assets in fiscal year 2018; and (b) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018.

43. *Panorama Mortgage Group LLC, Las Vegas, NV [Docket No. 19–2015–MR]*

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Panorama Mortgage Group LLC (“Panorama”) that included a civil money penalty of \$19,936. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Panorama (a) failed to ensure that all objections to title were cured with respect to one FHA-insured loan; (b) failed, with respect to one FHA-insured loan, to verify and determine the delinquency status of a federal non-tax debt; and (c) improperly charged a borrower a utility fee not permitted under a purchase contract.

**44. Paragon Mortgage Corporation, Phoenix, AZ [Docket No.: 19–2028–MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Paragon Mortgage Corporation (“Paragon”) that included a civil money penalty of \$29,457. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Paragon (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018; (c) failed to maintain the minimum required liquid assets throughout fiscal year 2018; and (d) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018; (e) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; and (f) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018.

**45. Parkside Lending, LLC, San Francisco, CA [Docket No. 20–2028–MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Parkside Lending, LLC (“Parkside”) for a civil money penalty of \$10,000. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: Parkside failed to timely notify HUD of two state sanctions in fiscal years 2017 and 2018.

**46. Prime Choice Funding, Inc., Tustin, OK [Docket No. 19–1954–MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with Prime Choice Funding (“Prime Choice”) that included a civil money penalty of \$37,442. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Prime Choice (a) failed to report an operating loss exceeding 20% of its net worth in fiscal year 2018; (b) failed to file quarterly financial statements after an operating loss exceeding 20% of its net worth in fiscal year 2018; (c) failed to timely notify HUD of a sanction in fiscal year 2018; (d) submitted a false certification to HUD concerning Prime Choice’s fiscal year 2018; (e) failed to timely notify HUD of a sanction in fiscal

year 2017; and (f) submitted a false certification to HUD concerning Prime Choice’s fiscal year 2017.

**47. RMS Associates, Las Vegas, NV [Docket No. 20–2002–MR]**

*Action:* On December 17, 2019, the Board voted to enter into a settlement agreement with RMS Associates (“RMS”) that included a civil money penalty of \$14,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: RMS (a) failed to timely notify HUD of a sanction in fiscal year 2018; and (b) submitted a false certification to HUD concerning RMS’s fiscal year 2018.

**48. Ross Mortgage Company, Inc., Westborough, MA [Docket No. 19–1974–MR]**

*Action:* On May 12, 2020, the Board voted to accept a settlement agreement with Ross Mortgage Company (“Ross Mortgage”) that included a civil money penalty of \$19,442.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Ross Mortgage (a) failed to maintain the minimum required adjusted net worth in fiscal year 2017; (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2017; and (c) failed to maintain the minimum required adjusted net worth in fiscal year 2018.

**49. Servion, Inc., New Brighton, MN [Docket No. 20–2065–MR]**

*Action:* On September 1, 2020 the Board voted to enter into a settlement agreement with Servion, Inc. (“Servion”) that included a civil money penalty of \$14,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Servion (a) failed to timely notify HUD of a sanction in fiscal year 2018; and (b) submitted a false certification to HUD concerning Servion’s fiscal year 2018.

**50. Silvermine Ventures, LLC, Rye Brook, NY [Docket No. 19–2010–MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with Silvermine Ventures, LLC (“Silvermine”) that included a civil money penalty of \$19,638. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged

violations of HUD requirements: Silvermine (a) failed to maintain the minimum required adjusted net worth in fiscal year 2018; (b) failed to timely report the failure to maintain the required minimum adjusted net worth in fiscal year 2018; (c) failed to maintain the minimum required liquid assets in fiscal year 2018; and (d) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018.

**51. SN Servicing Corporation, Baton Rouge, LA [Docket No. 20–20007–MR]**

*Action:* On May 12, 2020, the Board voted to enter into a settlement agreement with SN Servicing Corporation (“SN Servicing”) that included a civil money penalty of \$9,819. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violation of HUD requirements: SN Servicing failed to timely notify HUD of a sanction in fiscal year 2019.

**52. Springboard CDFI dba Springboard Mortgage Collaborative, Riverside, CA [Docket No. 20–2003–MR]**

*Action:* On May 12, 2020, the Board voted to impose a civil money penalty of \$14,819 against Springboard CDFI dba Springboard Mortgage Collaborative (“Springboard”) which was included in a subsequent settlement agreement. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: Springboard (a) failed to maintain the minimum required liquid assets in fiscal year 2018; (b) failed to timely report the failure to maintain the minimum required liquid assets in fiscal year 2018; and (c) failed to timely notify HUD of a sanction in fiscal year 2019.

**53. TJC Mortgage, Inc., Birmingham, AL [Docket No. 20–2009–MR]**

*Action:* On May 12, 2020, the Board voted to impose a civil money penalty of \$19,468 against TJC Mortgage, Inc. (“TJC Mortgage”), which was included in a subsequent settlement agreement. The settlement does not constitute an admission of liability or fault.

*Cause:* The Board took this action based on the following alleged violations of HUD requirements: TJC Mortgage (a) failed to timely notify HUD of a sanction in fiscal year 2019; (b) failed to timely notify HUD of a sanction in fiscal year 2016; and (c) submitted a false certification to HUD concerning TJC Mortgage’s fiscal year 2016.

**54. Tradition Mortgage LLC, Lakeville, MN [Docket No. 19–2049–MR]**

**Action:** On May 12, 2020, the Board voted to enter into a settlement agreement with Tradition Mortgage LLC, (“Tradition Mortgage”) that included a civil money penalty of \$14,819. The settlement agreement does not constitute an admission of liability or fault.

**Cause:** The Board took this action based on the following alleged violations of HUD requirements: Tradition Mortgage (a) failed to timely notify HUD of a state sanction in fiscal year 2018; and (b) submitted a false certification to HUD concerning Tradition Mortgage’s fiscal year 2018.

**55. United Home Loans, Inc., Westchester, IL [Docket No. 20–2015–MR]**

**Action:** On September 1, 2020, the Board voted to accept a settlement agreement with United Home Loans, Inc. (“United Home”) that included a civil money penalty of \$5,000. The settlement does not constitute an admission of liability or fault.

**Cause:** The Board took this action based on the following alleged violation of HUD requirements: United Home failed to timely notify HUD of a sanction in fiscal year 2019.

**56. Valley Mortgage Inc., Fargo, ND [Docket No. 19–1956–MR]**

**Action:** On December 17, 2019, the Board voted to enter into a settlement agreement with Valley Mortgage Inc. (“Valley Mortgage”) that included a civil money penalty of \$9,468 and the indemnification of one FHA-insured mortgage for a term of five years. The settlement agreement does not constitute an admission of liability or fault.

**Cause:** The Board took this action based on the following alleged violation of HUD requirements: Valley Mortgage violated FHA underwriting requirements by approving a loan that was not eligible for FHA insurance by failing to properly calculate the borrowers’ effective income.

**57. VIG Mortgage Corporation, San Juan, PR [Docket No. 20–2016–MR]**

**Action:** On May 12, 2020, voted to enter into a settlement agreement with VIG Mortgage Corporation (“VIG”) that included a civil money penalty of \$4,909. The settlement agreement does not constitute an admission of liability or fault.

**Cause:** The Board took this action based on the following alleged violation of HUD requirements: VIG Mortgage failed to timely notify HUD of a change

to VIG Mortgage’s business structure, consisting of a change in ownership, in fiscal year 2018.

**58. Weststar Mortgage Corporation, Albuquerque, NM [Docket No. 20–2005–MR]**

**Action:** On May 12, 2020, the Board voted to enter into a settlement agreement with Weststar Mortgage Corporation (“Weststar”) that included a civil money penalty of \$5,000. The settlement agreement does not constitute an admission of liability or fault.

**Cause:** The Board took this action based on the following alleged violation of HUD requirements: Weststar failed to timely notify HUD of a sanction in fiscal year 2019.

**II. Lenders That Failed To Timely Meet Requirements for Annual Recertification of HUD/FHA Approval but Came Into Compliance**

**Action:** The Board entered into settlement agreements with the following lenders, which required the lender to pay a civil money penalty without admitting fault or liability.

**Cause:** The Board took these actions based upon allegations that the listed lenders failed to comply with HUD’s annual recertification requirements in a timely manner.

The lenders below paid the following civil money penalty amounts:

1. *Central Bank and Trust Lender, WY (\$10,067) [Docket No. 20–2038–MRT]*

The following lenders paid civil money penalties of \$5,000.

2. *Community Investment Corporation, Chicago, IL [Docket No. 20–2081–MRT]*
3. *Great Lakes Financial Group Ltd, Cleveland, OH [Docket No. 20–2090–MRT]*

The following lenders paid civil money penalties of \$4,500.

4. *Buckeye State Bank, Powell, OH [Docket No. 20–2029–MRT]*
5. *First Flight Federal Credit Union, Cary, NC [Docket No. 20–2032–MRT]*
6. *Grand Savings Bank, Grove, OK [Docket No. 20–2034–MRT]*
7. *SWI Financial Services Inc, Escondido, CA [Docket No. 20–2032–MRT]*
8. *Windsor Federal Savings [Docket No. 19–2040–MRT]*

**III. Lenders That Failed To Meet Requirements for Annual Recertification of HUD/FHA Approval**

**Action:** The Board voted to withdraw the FHA approval of each of the lenders listed below for a period of one (1) year.

**Cause:** The Board took this action based upon allegations that the lenders

listed below were not in compliance with HUD’s annual recertification requirements.

1. *Apex Lending Inc., Santa Ana, CA*
2. *Aries Loans Inc., El Segundo, CA*
3. *City National Bank of New Jersey, Newark, NJ*
4. *Consumer Loan Services, LLC, La Crosse, WI*
5. *Gulf Atlantic Funding Group, Davie, FL*
6. *Metro Phoenix Financial Services, LLC, Phoenix, AZ*
7. *Mortgage Bank of California, Manhattan Beach, CA*
8. *South Central Bank and Trust Co., Chicago, IL*
9. *United Police Federal Credit Union, Miami, FL*

**Janet M. Golrick,**

*Acting Assistant Secretary for Housing/FHA Commissioner Chair, Mortgagee Review Board.*

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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR–6245–N–01]**

**Mortgage and Loan Insurance Programs Under the National Housing Act—Debenture Interest Rates**

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

**ACTION:** Notice.

**SUMMARY:** This Notice announces changes in the interest rates to be paid on debentures issued with respect to a loan or mortgage insured by the Federal Housing Administration under the provisions of the National Housing Act (the Act). The interest rate for debentures issued under Section 221(g)(4) of the Act during the 6-month period beginning January 1, 2021, is  $3\frac{3}{4}$  percent. The interest rate for debentures issued under any other provision of the Act is the rate in effect on the date that the commitment to insure the loan or mortgage was issued, or the date that the loan or mortgage was endorsed (or initially endorsed if there are two or more endorsements) for insurance, whichever rate is higher. The interest rate for debentures issued under these other provisions with respect to a loan or mortgage committed or endorsed during the 6-month period beginning January 1, 2021, is  $1\frac{3}{8}$  percent.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Olazabal, Department of Housing and Urban Development, 451 Seventh Street SW, Room 5146,