

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Homeownership centers
Nationwide Home Loans, Inc..	4100 NE 2nd Ave., Miami, FL 33137 .....	Miami .....	9/9/2010	Atlanta.
Access National Mortgage Corp..	1800 Robert Fulton Dr., Ste 350, Reston, VA 20191-4346.	Richmond .....	9/2/2010	Philadelphia.
BJV Financial Bank Services, Inc..	7221 W. Touhy Ave., Chicago, IL 60631 ...	Chicago .....	8/11/2010	Atlanta.
Globe Mortgage America LLC.	475 Grand Ave. Englewood, NJ 07631 ....	Newark .....	8/11/2010	Philadelphia.
D and R Mortgage Corp..	29870 Middlebelt Rd., Ste 100, Farmington Hills, MI 48334.	Atlanta .....	8/1/2010	Atlanta.
Dominion First Mortgage Corp..	9970 Liberia Ave., Manassas, VA 20110 ...	Richmond .....	8/1/2010	Philadelphia.
Omni Capital Group LLC.	6855 S. Havana St., Ste 500, Centennial, CO 80112.	Denver .....	8/1/2010	Denver.
Q Financial Direct, Inc..	3155 NW 82nd Ave., Ste 200, Doral, FL 33122.	Miami .....	8/1/2010	Atlanta.

Dated: October 22, 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-06]

### 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 terminating Underwriting Authority of Direct Endorsement mortgagees.

**Termination of Direct Endorsement Approval:** Approval of a DE mortgagee by HUD/FHA authorizes the mortgagee to underwrite single family mortgage loans and submit them to FHA for insurance endorsement. The Approval may be terminated on the basis of poor performance of FHA-insured mortgage loans underwritten by the mortgagee. The termination of a mortgagee's DE Approval 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 DE Approval with any mortgagee having a default and claim rate for loans endorsed within the preceding 24 months that exceeds 300 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 quarterly review period ending March 31, 2010, HUD is terminating the DE Approval of mortgagees whose default and claim rate exceeds both the national rate and 300 percent of the field office rate.

**Effect:** Termination of the DE Approval precludes the mortgagee from

underwriting 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 mortgagee; however, the cases may be transferred for completion of processing and underwriting to another mortgagee with DE Approval 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 reinstatement of the DE Approval if the DE Approval for the affected area or areas 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, 202.10 and 202.12. 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 DE Approvals terminated by HUD:

Mortgagee name	Mortgagee branch address	HUD Office jurisdictions	Termination effective date	Homeownership centers
Freedom Mortgage Corp.	907 Pleasant Valley Ave. Mount Laurel, NJ 08054	Fort Worth .....	10/4/10	Denver.
Freedom Mortgage Corp.	907 Pleasant Valley Ave. Mount Laurel, NJ 08054	Des Moines .....	10/4/10	Denver.
Alacrity Lending Company.	2535 E. Southlake Blvd., Ste 100 Southlake, TX 76092.	Houston .....	8/30/10	Denver.
Benefit Funding Corp. ....	10724 Baltimore Ave. Beltsville, MD 20705 .....	Washington .....	8/16/10	Philadelphia.
Nichols Mortgage Services Inc..	1811 N. Meridian St. Indianapolis, IN 46202 .....	Indianapolis .....	8/11/10	Atlanta.
Pine State Mortgage Corp..	6065 Roswell Road NE, Ste 300 Atlanta, GA 30328	Greensboro .....	8/11/10	Atlanta.
Liberty Mortgage Corp. ...	3720 Davinci Ct., Ste 150 Norcross, GA 30092 .....	Minneapolis .....	8/9/10	Denver.
D and R Mortgage Corp.	29870 Middlebelt Rd., Ste 100 Farmington Hills, MI 48334.	Greensboro .....	8/1/10	Atlanta.
Summit Funding Inc. ....	2601 Fair Oaks Blvd. Sacramento, CA 95864-4932	Fort Worth .....	8/1/10	Denver.

Dated: October 22, 2010.

**David H. Stevens,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5408-N-02]

### Notice of Availability of the Draft Environmental Impact Statement for the Yesler Terrace Redevelopment Project

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice.

**SUMMARY:** The Department of Housing and Urban Development (HUD) gives notice to the public, agencies, and Indian tribes that the Seattle Housing Authority and the City of Seattle Human Services Department (Community Development Block Grant (CDBG) Administration Unit) have prepared a Draft Environmental Impact Statement (DEIS) for the Yesler Terrace Redevelopment Project, located in the City of Seattle, King County, WA. The project proponent is the Seattle Housing Authority. The City of Seattle Human Services Department and the Seattle Housing Authority, acting jointly as lead agencies, have prepared the DEIS under the authority of the City of Seattle Human Services Department as the Responsible Entity for compliance with the National Environmental Policy Act (NEPA) in accordance with 42 U.S.C.

1437x and HUD regulations at 24 CFR 58.4, and under the Seattle Housing Authority's role as lead agency in accordance with the Washington State Environmental Policy Act (SEPA). The DEIS is a joint NEPA and SEPA document. The DEIS satisfies requirements of SEPA (RCW 43.21C) and the SEPA Rules (WAC 197-11) which require that all state and local government agencies consider the environmental consequences of projects over which they have discretionary authority before acting on those projects. The proposed action is subject to compliance with NEPA, because funds from the public housing programs under Title I of the United States Housing Act of 1937 (HOPE VI, Capital Funds, Demolition/Disposition) will be used for this project (24 CFR 58.1(b)(6)(i)). This notice is given in accordance with the Council on Environmental Quality regulations at 40 CFR parts 1500-1508. All interested Federal, State, and local agencies, Indian tribes, groups, and the public are also invited to comment on the DEIS. If you are an agency with jurisdiction by law over natural or other public resources affected by the project, the Seattle Housing Authority and the City of Seattle Human Services Department need to know what environmental information germane to your statutory responsibilities should be included in the DEIS.

**ADDRESSES:** Comments relating to the DEIS are requested and will be accepted by the contact persons listed below until December 13, 2010. Any person or agency interested in receiving a notice and wishing to make comment on the

DEIS should contact the persons listed below.

#### FOR FURTHER INFORMATION CONTACT:

Stephanie Van Dyke, Development Director of the Seattle Housing Authority, [YTEISComments@seattlehousing.org](mailto:YTEISComments@seattlehousing.org), P.O. Box 19028, Seattle, WA 98109-1028, (f) 206-615-3539 (SEPA) and Kristen Larson, Project Funding and Agreements Coordinator, City of Seattle Human Services Department, CDBG Administration Unit, [Kristen.Larson@seattle.gov](mailto:Kristen.Larson@seattle.gov), P.O. Box 34215, Seattle, WA 98124-4215, (f) 206-621-5003 (NEPA).

For additional background information on the project proposal, please see the Seattle Housing Authority Web site: <http://www.seattlehousing.org/redevelopment/yesler-terrace/>.

**Public Participation:** A public hearing on the DEIS will be held for the public to provide verbal or written comment on the DEIS. At the meeting, the public will be able to view graphics illustrating preliminary redevelopment concepts associated with the proposed actions and speak with staff of the Seattle Housing Authority, the City of Seattle and members of the consultant team providing technical analyses in support of the project. Written comments may be mailed, sent via fax or e-mailed to the Seattle Housing Authority contact listed above or submitted at the public hearing on the DEIS.

The public hearing will be held at the Yesler Community Center (835 Yesler Way, Seattle, WA 98122) on November 30, 2010 at 6 p.m. For accommodations and translation services in conjunction