



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Chapter II

[Docket No. FR-5817-N-01]

Federal Housing Administration (FHA): Solicitation of Comment on Streamline Refinance Provisions in the FHA Single Family Housing Policy Handbook

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

ACTION: Solicitation of comment.

SUMMARY: On September 30, 2014, FHA issued the FHA Single Family Housing Policy Handbook section for Title II Insured Housing Programs Forward Mortgages: Origination through Post-Closing/Endorsement, Handbook 4000.1. The goal of the new FHA Single Family Housing Policy Handbook (Handbook) is to streamline and ease the implementation of FHA's various programs by consolidating and organizing all of FHA's Single Family policy into one document. FHA will be issuing other individual sections of the Handbook as they are completed. As part of the consolidation of policy pertaining to streamline refinance transactions, FHA has taken the opportunity to integrate the language pertaining to streamline refinance transactions in Mortgagee Letters 2013-29, 2011-11, 2009-32 and 2008-40 into a refined mortgage payment history and calculation of the maximum insurable mortgage for the streamline refinance program. Prior to adopting in the Handbook as final this refined maximum insured mortgage calculation for streamline refinance transactions, HUD seeks public comment on this language as presented in the Handbook.

DATES: Comment Due Date: **[Insert date that is 30 days after date of publication in the Federal Register.]**

ADDRESSES: Interested persons are invited to submit comments regarding this document to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500.

Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500.

2. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the www.regulations.gov website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the document.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD

Headquarters building, an appointment to review the public comments must be scheduled in advance by calling the Regulations Division at 202-708-3055 (this is not a toll-free number).

Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Elissa Saunders, Deputy Director, Office of Single Family Program Development, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW, Room 9278, Washington, DC 20410; telephone number 202-708-2121 (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 Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:

Payment history standards related to streamline refinances are currently found in Handbook HUD 4155.1, entitled Mortgage Credit Analysis for Mortgage Insurance on One- to Four-Unit Mortgage Loans, in sections 3.A.1.h., but have subsequently been modified by Mortgagee Letters, including those referenced above. The Maximum Insurable Mortgage Calculation for streamline refinances is found in section 3.C.2.c.

In an effort to ease program implementation and reduce burden on lenders, servicers, borrowers, and interested members of the public, FHA, as noted in the Summary of this document, is consolidating and reorganizing its guidance into a new, comprehensive FHA Single Family Housing Policy Handbook (Handbook), which, once effective, will supersede all mortgagee letters and prior handbook provisions whose content has been incorporated into the Handbook. This consolidation and reorganization alleviates unnecessary burdens on lenders, servicers, and borrowers who have had to keep track of individual policy changes published in

individual mortgagee letters, and gives all interested parties one place to find important program requirements.

The Handbook section for Title II Insured Housing Programs Forward Mortgages – Origination through Post-Closing/Endorsement was issued on September 30, 2014, at <http://portal.hud.gov/hudportal/documents/huddoc?id=40001HSGH.pdf> and will be effective for case numbers assigned on or after June 15, 2015. Due to the timing of the pre-scheduled release of the Handbook and the complexity of incorporating and organizing the various guidance documents for streamline refinances noted above, and eliminating extraneous examples, HUD has opted, in an abundance of caution, to seek public comment on the refined maximum mortgage amount calculation provision and payment history for the streamline refinance program which can be found in Paragraphs (4)(b) and (j) of II.A.8.d.vi.(C) “Streamline Refinances” in the Title II Insured Housing Programs Forward Mortgages section of the Handbook. The public comments received on these provisions will be given consideration, and notification will be provided of changes, if any, made to this section of the Handbook.

Given the significant transition period that FHA is providing between the posting of the Handbook and the effective date of the Handbook, FHA does not anticipate having to change the effective date as a result of any changes that may be made to the streamline refinance section of the Handbook.

Date: October 3, 2014

Carol J. Galante
Assistant Secretary for Housing—
Federal Housing Commissioner

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