



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

April 12, 2004

MORTGAGEE LETTER 2004-14

TO: ALL APPROVED MORTGAGEES

SUBJECT: Late Request for Endorsement Procedures

This Mortgagee Letter clarifies procedures for mortgage lenders when submitting mortgage insurance case binders to the Federal Housing Administration (FHA) for endorsement beyond the 60-day limit following closing. It replaces the instructions found in the section "Late Request for Endorsement contained in Chapter 3 of HUD Handbook 4165.1 REV-3. This clarification will help assure that mortgage lenders are in compliance and reduce the number of Notices of Return (NORs) issued by the jurisdictional Homeownership Centers (HOCs). The Department of Housing and Urban Development is also eliminating the need for mortgage lenders to submit explanations for delays, but is requiring certifications of compliance to the late endorsements instructions described below.

A request for insurance endorsement is considered "late" and triggers additional documentation whenever the binder is received by the HOC more than 60 days after mortgage loan settlement or funds disbursement, whichever is later. FHA believes that this is sufficient time for the mortgage lender to assemble the binder, obtain any final documents or signatures, and ship the binder to the appropriate HOC for endorsement processing.

Cases Submitted for Reconsideration after NOR

If the HOC returns a case binder to the lender by issuing a NOR (or a subsequent NOR), the HOC must receive the reconsideration request for insurance endorsement within the original 60-day window, or 30 days from the date of issuance of the original NOR, whichever is greater. Cases resubmitted after the expiration of the applicable date must follow the late request instructions below. Also, should the issuance of a subsequent NOR result in the mortgage lender's resubmission being received after the original 60 day period or the 30 day period set forth for the original NOR, whichever is later, the late endorsement instructions set forth below must be complied with.

Late Request for Endorsement Certification by the Mortgage Lender

When submitting a late request for endorsement, in addition to including the payment history

or ledger, the mortgage lender is required to include a certification, signed by a representative of that lender on company letterhead, which includes the lender's complete address and telephone

2.

number. This certification must be specific to the case being submitted, i.e., identify the FHA case number and the name(s) of the borrower(s) and state that:

1. All mortgage payments due have been made by the mortgagor prior to or within the month due¹, and;
2. All escrow accounts for taxes, hazard insurance and mortgage insurance premiums are current and intact, except for disbursements that may have been made to cover payments for which the accounts were specifically established, and;
3. The mortgage lender did not provide the funds to bring and/or keep the loan current or to bring about the appearance of an acceptable payment history.

Please note that individuals found making false certifications may have administrative sanctions taken against them including, but not limited to, debarment from participation in HUD's programs. False certifications may also result in requests for indemnification on the individual mortgages for which false certifications were made.

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0557. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

If you have any questions regarding this Mortgagee Letter, please contact your Homeownership Center in Atlanta (888-696-4687), Denver (800-543-9378), Philadelphia (800-440-8647) or Santa Ana (888-827-5605).

Sincerely,

John C. Weicher
Assistant Secretary for Housing-
Federal Housing Commissioner

¹ If any payments have been made after the month due, the loan is not eligible for endorsement until six consecutive payments have been made prior to and/or within the calendar month due.