

**Authority:** The Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: November 18, 2010.

**Colette Pollard,**

*Departmental Reports Management Officer,  
Office of the Chief Information Officer.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5440-N-01]

### Policies and Procedures Pertaining to Changes in Listing Brokers Participating in the Federal Housing Administration (FHA) Management and Marketing III Program

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

**ACTION:** Notice.

**SUMMARY:** Today's **Federal Register** notice describes how duly licensed real estate brokers may participate as Listing or Selling brokers under FHA's Management and Marketing III (M&M III) program. All brokers may participate as Selling brokers. Brokers that wish to list HUD's Real Estate Owned (REO) properties, however, must be selected as a Listing broker by HUD's Asset Manager (AM) vendors. HUD will pay a commission of up to six percent to be split evenly between "Listing" and "Selling" brokers as is usual and customary in the real estate market.

**DATES:** Participation by all brokers in the M&M III program announced in this notice shall be in effect from the date of publication of this notice through May 31, 2015.

**FOR FURTHER INFORMATION CONTACT:** Vance T. Morris, Director, Office of Single Family Asset Management, Department of Housing and Urban Development, 451 7th Street, SW., Room 9172, Washington, DC 20410; telephone number 202-708-1672 (this is not a toll-free telephone number). Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

###### A. Management and Marketing Program

The Federal Housing Administration (FHA) administers the single-family mortgage insurance program. FHA insures approved lenders against the risk of loss on properties obtained with

FHA insured financing. In the event of a default on an FHA insured loan, the lender acquires title to the property by foreclosure, a deed-in-lieu of foreclosure, or other acquisition method, files a claim for insurance benefits and conveys the property to HUD. As a result of acquisitions through the mortgage insurance program and other programs, HUD has a need to sell a sizable inventory of single-family homes, making HUD the largest single seller of real estate in the United States. In fiscal years 2008 and 2009, the Department sold 46,333 and 49,385 single-family homes, respectively.

Since 1999, HUD has outsourced the disposition of its REO inventory to private sector contractors under the Management and Marketing (M&M) Program. In June of 2010, HUD awarded contracts under the third generation of M&M. Under the previous generations of M&M contracts, HUD contracted with a single entity to provide all of the administrative, program support, management and marketing services throughout the United States, the Caribbean, Guam and the Northern Mariana Islands. Under the M&M III program, HUD developed a disposition structure for its REO inventory that will streamline its operations, capitalize on the expertise of its potential vendors/contractors, and provide flexibility to meet changing market conditions in the REO industry.

One change is that, beginning June 1, 2010, HUD has contracted with AM vendors who are responsible for the marketing and selling of HUD REO properties. Multiple AM vendors have been contracted to market HUD-owned properties within their selected contract area within each geographic Homeownership Center (HOC) area. AM vendors are required to use the services of local real estate professionals, whose primary place of business is within reasonable proximity to the listed property, including small and small disadvantaged businesses, to list properties for sale and to allow all brokers, regardless of their participation in a Multiple Listing Service, an equal opportunity to show and sell HUD-owned properties. Local listing brokers will be used to ensure wide market exposure for HUD-REO Properties. Under the new M&M III program, HUD will pay a commission of up to six percent to be split evenly between Listing and Selling brokers, as is usual and customary in the real estate market. This is a change from previous M&M programs where listing brokers contracted with the M&M contractors and the M&M contractors were responsible for paying the listing

brokers. The commission paid to Listing and Selling brokers will be made on the form HUD-1, Settlement Statement.

AM vendors are responsible for selecting, managing, and overseeing listing brokers who participate in the M&M III program. Brokers that wish to participate as either listing or selling brokers in the M&M III program must register for, and receive a Name Address Identification Number (NAID) before they can either list or sell HUD properties. Brokers who already have a NAID do not need to apply for a new NAID in order to list HUD REO properties but must be selected by the AM vendor as a listing broker. Brokers must also be properly licensed in the geographic areas for which they want to list properties for sale.

##### B. How To Register for an NAID

Brokers may register for and receive an NAID by completing and submitting a form SAMS-1111. The form SAMS-1111 can be found at <http://www.hud.gov/offices/adm/hudclips/forms/samsforms.cfm>. Completed forms and supporting documentation must be sent to the HOC jurisdiction for the geographic area where the broker will list a property. HOC addresses are as follows:

**Atlanta HOC:** U.S. Dept. of HUD, Atlanta Homeownership Center, 40 Marietta Street, Atlanta, GA 30303-2806.

**Denver HOC:** U.S. Dept. of HUD, Denver Homeownership Center, Program Support Division—21st Floor, 1670 Broadway, Denver, CO 80202-4801.

**Philadelphia HOC:** U.S. Dept. of HUD, Philadelphia Homeownership Center, The Wanamaker Building, 100 Penn Square East, Philadelphia, PA 19107-3389.

**Santa Ana HOC:** U.S. Dept. of HUD, Santa Ana Homeownership Center, 160 N. Stone Avenue, Tucson, AZ 85701.

##### C. How To Contact an Asset Manager (AM) Vendor

Listing Brokers who wish to participate in the M&M III program must contact an AM vendor responsible for the geographic areas where they want to list properties. A list of all AM vendors and the geographic areas for which they are responsible can be found at: <http://www.hud.gov/offices/hsg/sfh/reo/reohome.cfm>.

##### II. Paperwork Reduction Act Statement

The information collection requirements contained in this document are pending the approval by the Office of Management and Budget (OMB) in accordance with the

Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), and have been assigned OMB control number 2502–0306. 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 control number.

Dated: November 17, 2010.

**David H. Stevens,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5459–N–01]

### Real Estate Settlement Procedures Act (RESPA): Solicitation of Information on Changes in Warehouse Lending and Other Loan Funding Mechanisms

**AGENCY:** Office of General Counsel, HUD.

**ACTION:** Notice.

**SUMMARY:** HUD is considering issuing guidance under RESPA to address possible changes in warehouse lending and other financing mechanisms used to fund federally related mortgage loans that have occurred since HUD issued regulations specifically related to this area in 1992 and 1994. In order to assist HUD in determining whether such guidance is needed and to formulate such guidance, HUD is seeking information on how funding mechanisms have evolved in recent years, and especially on how warehouse lending currently operates within residential real estate mortgage transactions.

HUD welcomes input from warehouse lenders, retail lenders, mortgage bankers, wholesale lenders, correspondent lenders, mortgage brokers, and others in the mortgage lending industry, as well as from federal, state, and local consumer protection and enforcement agencies; consumer groups; and other members of the public. Based on information received in response to this solicitation, HUD will decide what, if any, additional guidance is needed on the scope of RESPA as applied to current mortgage funding practices.

**DATES:** *Comment Due Date:* December 27, 2010.

**ADDRESSES:** Interested persons are invited to submit comments regarding this notice to the Regulations Division, Office of General Counsel, 451 7th

Street, SW., Room 10276, Department of Housing and Urban Development, Washington, DC 20410–0500. 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 <http://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 <http://www.regulations.gov> Web site 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 rule.

*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 advance appointment to review the public comments must be scheduled 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 through TTY by calling the toll-free Federal Information Relay Service at 800–877–8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** For legal questions, contact Paul S. Ceja, Assistant General Counsel for RESPA/SAFE, telephone number 202–708–3137; or Peter S. Race, Assistant General Counsel for Program Compliance, telephone number 202–708–2350; Department of Housing and Urban

Development, 451 7th Street, SW., Room 9262, Washington, DC 20410. For other questions, contact Barton Shapiro, Director, or Mary Jo Sullivan, Deputy Director, Office of RESPA and Interstate Land Sales, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW., Room 9158, Washington, DC 20410; telephone number 202–708–0502. These telephone numbers are not toll-free. Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Information Relay Service at 1–800–877–8339.

## SUPPLEMENTARY INFORMATION:

### I. Background

Due to the length of time since the issuance of regulations on the treatment and coverage of warehouse lending under RESPA (12 U.S.C. 2601–2617), HUD is reviewing the need to provide additional guidance in this area pursuant to its authority under section 19 of RESPA (12 U.S.C. 2617).

The requirements and prohibitions under RESPA apply to credit transactions that involve federally related mortgage loans. These mortgage loans include most purchase loans, assumptions, refinances, property improvement loans, and home equity lines of credit that are secured by liens placed on one- to four-family residential properties. The purposes of RESPA are, generally, to help consumers become better shoppers for settlement services and to eliminate kickbacks and referral fees that unnecessarily increase the costs of certain settlement services.

To achieve its purposes, RESPA requires, in part, that borrowers receive disclosures at various times in the transaction. These disclosures explain the borrower's loan, detail the costs associated with settlement, summarize servicing and escrow account practices, and describe affiliated business relationships among settlement service providers. In January 2010, major revisions to the Good Faith Estimate (“GFE”) and uniform settlement statement (“HUD–1/1A”) disclosure forms mandated in HUD's RESPA regulations (24 CFR part 3500) took effect.

RESPA also prohibits certain practices that increase the cost of settlement services. For example, section 8 of RESPA prohibits a person from giving or accepting anything of value for referrals of business incident to or part of a settlement service provided in a covered transaction. RESPA also prohibits a person from giving or accepting any part of a charge other than for services actually performed.