

where buyback programs take place. According to the Bureau of Alcohol, Tobacco and Firearms, more than one-third, and it is estimated that possibly as many as one-half, of all guns seized from young adults nation-wide are new guns purchased legally within the previous 3 years.

### Conclusion

HUD acknowledges the importance of raising awareness regarding gun safety and supporting law enforcement efforts to decrease gun-related violent crimes that impact the general public and, more particularly, public and assisted housing communities across the nation. However, the Department strongly believes other State and local resources and federally-supported gun control and crime-prevention efforts should be targeted toward getting guns out of the hands of criminals. Equally important, HUD believes the Department's limited appropriations should be targeted to more conventional drug elimination and crime prevention activities that are consistent with the core HUD mission and are more effective in reducing gun violence in neighborhoods surrounding public and assisted housing communities. As a result, HUD has decided to terminate the gun buyback initiative as a special set-aside under PHDEP.

Dated: June 29, 2001.

**Paula O. Blunt,**

*Acting General Deputy Assistant, Secretary for Public and Indian Housing.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4558-N-05]

### 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) of the National Housing Act, notice is hereby given of the cause and description of administrative actions taken by HUD's Mortgagee Review Board against HUD-approved mortgagees.

**FOR FURTHER INFORMATION CONTACT:** D. Jackson Kinkaid, Secretary to the Mortgagee Review Board, 451 7th Street, SW., Washington, DC 20410, telephone: (202) 708-3041 extension 3574 (this is not a toll-free number). A

Telecommunications Device for Hearing and Speech-Impaired Individuals (TTY) is available at 1 (800) 877-8339 (Federal Information Relay Service).

**SUPPLEMENTARY INFORMATION:** Section 202(c)(5) of the National Housing Act (added by Section 142 of the Department of Housing and Urban Development Reform Act of 1989, Public Law 101-235, approved December 15, 1989), requires that HUD "publish a description of and the cause for administrative action against a HUD-approved mortgagee" by the Department's Mortgagee Review Board. In compliance with the requirements of Section 202(c)(5), notice is hereby given of administrative actions that have been taken by the Mortgagee Review Board from June 1, 2000 through April 13, 2001.

#### 1. 1st Republic Mortgage Bankers, Inc., Floral Park, NY

**Action:** Settlement Agreement signed 12/21/2000. Without admitting fault or liability, 1st Republic Mortgage Bankers, Inc. ("1st Republic") agreed to an administrative payment to HUD of \$50,000. 1st Republic also agreed to indemnify HUD for any losses incurred on 19 loans.

**Cause:** HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: 1st Republic failed to identify and resolve falsified or conflicting documentation prior to approving HUD/FHA mortgagees; 1st Republic failed to reconcile incongruities within the Uniform Residential Appraisal report prepared by the appraiser; 1st Republic failed to adequately document the mortgagee's source of funds used for the down payment and/or closing costs; and 1st Republic submitted HUD-1 settlement statements to the Department that contained false or inaccurate information.

#### 2. American City Mortgage Corporation, Carson, CA

**Action:** Settlement Agreement signed April 6, 2001. Without admitting fault or liability, American City Mortgage Corporation ("ACMC") agreed to voluntarily withdraw from participation in all HUD programs and not to reapply for FHA mortgagee approval for three years. ACMC also agreed to pay a \$50,000 civil money penalty.

**Cause:** HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: ACMC failed to provide quality control review reports during an on-site review; ACMC permitted false information to be used in originating four loans and obtaining HUD/FHA mortgage

insurance; ACMC permitted loans to be submitted for HUD/FHA (single family) insurance on properties with more than four living units; ACMC permitted loan officers to originate loans on properties they owned either directly or indirectly and submit them for HUD/FHA mortgage insurance; ACMC failed to ensure that the borrower met the three percent minimum cash investment; and ACMC permitted loans to be approved without adequately analyzing the mortgagees' ability to make the mortgage payments.

#### 3. American Investment Mortgage, Inc., Dallas, TX

**Action:** In a letter dated October 24, 2000, the Board withdrew American Investment Mortgage, Inc.' ("AIM") HUD/FHA approval for five years.

**Cause:** HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: AIM was operating Branch Offices as "doing business as" companies—"d/b/a companies"—under the net arrangement and/or was allowing a Branch Office to submit loans for underwriting prior to being approved to originate FHA insured loans; AIM accepted and processed loan applications from people not employed exclusively by AIM; AIM failed to implement a quality control plan prior to November 1998 and the one it did put in place failed to meet HUD/FHA requirements; AIM failed to timely submit Mortgage Insurance Premiums for 103 loans; AIM submitted 20 loans for endorsement more than 60 days after closing and failed to comply with the requirements for late endorsement; AIM used false information in originating FHA loans; AIM used inaccurate income to qualify the mortgagees or failed to properly verify employment for the mortgagees; AIM omitted mortgagee liabilities and/or the liabilities of the non-purchasing spouse were not considered in loan qualification; AIM failed to verify the source of funds, had insufficient documentation and submitted incomplete gift letters; AIM failed to perform underwriting within HUD/FHA established guidelines; AIM used non-traditional credit documentation to qualify mortgagees that did not meet HUD/FHA guidelines; AIM failed to provide dollar for dollar reduction to the sales price for inducement to purchase and/or make revisions to the maximum mortgage amount based on the actual closing costs paid by the mortgagee; AIM charged borrowers' fees that were not disclosed and/or were unallowable; AIM failed to clarify or document important file discrepancies;

and AIM failed to perform pre-approval field reviews.

**4. American SkyCorp, Inc., Timonium, MD**

*Action:* In a letter dated November 17, 2000, the Board withdrew American SkyCorp, Inc.'s ("ASI") HUD/FHA approval for five years. The Board also voted to impose a civil money penalty in the amount of \$220,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: ASI permitted borrowers to receive seller contributions for down payment and closing costs that were disguised as gifts or grants in four loans; ASI used falsified documentation in originating loans and obtaining mortgage insurance in one loan; ASI approved loans with ratios that exceeded HUD/FHA guidelines without noting significant compensating factors in 15 loans; ASI failed to ensure that borrowers qualified for the FHA insured mortgages in 12 loans; ASI failed to adequately document and analyze income that was used to qualify the borrower in 8 loans; ASI failed to properly verify the source and adequacy of funds for the down payment and/or closing costs in 20 loans; ASI failed to reconcile conflicting information concerning the Uniform Residential Appraisal Report in one loan; ASI failed to obtain and analyze the terms and conditions of the real estate transaction and to consider the acquisition cost of recently acquired properties in the underwriting of one loan; ASI failed to ensure that all charges and credits to the borrower were reflected on the HUD-1 settlement statement in one loan; and ASI employed a loan officer who was not an exclusive employee.

**5. Approved Home Mortgage Corp., Pembroke Pines, FL**

*Action:* Settlement Agreement signed 12/18/2000. Without admitting fault or liability, Approved Home Mortgage Corp. ("Approved") agreed to a civil money penalty of \$3,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Approved failed to implement its quality control plan; Approved failed to file annual loan origination reports for 1997 and 1998 which supplements the requirements of the Home Mortgage Disclosure Act; Approved failed to adopt, maintain and implement a Quality Control Plan that meets HUD guidelines; Approved failed to maintain complete origination files; and Approved charged an unacceptable fee.

**6. Assurety Mortgage Group, Inc., Decatur, GA**

*Action:* In a letter dated October 24, 2000, the Board withdrew Assurety Mortgage Group, Inc.'s ("AMGI") HUD/FHA approval for five more years. This was in addition to the three years imposed by the Board in its February 15, 2000 Notice to AMGI (see 65 FR at 53731, September 5, 2000). The Board also voted to impose a further civil money penalty of \$150,000, which was in addition to the \$45,500 penalty previously determined in the February 15, 2000 Notice.

*Cause:* Follow up by Departmental Enforcement Center staff to the February 15, 2000 withdrawal notice revealed that AMGI violated HUD/FHA requirements, prudent lending practices and engaged in business practices that did not conform with accepted practices of an approved lender by the following: AMGI originated and/or provided underwriting approval for 90 loans in order to obtain HUD/FHA insurance after AMGI had been withdrawn by the Board; and AMGI opened 8 branches and added 14 loan correspondents to originate and/or underwrite HUD/FHA insured loans after being withdrawn by the Board.

**7. Avstar Mortgage Corporation, Blue Bell, PA**

*Action:* In a letter dated August 3, 2000, the Board withdrew Avstar Mortgage Corporation's ("Avstar") HUD/FHA approval for eight years. The Board also voted to impose a civil money penalty in the amount of \$192,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Avstar failed to conduct a face-to-face interview with the mortgagors; Avstar failed to document the mortgagors' source of funds used for down payment or closing costs; Avstar failed to document two full years of employment for the mortgagors; Avstar knowingly approved loans with an ineligible borrower; Avstar used falsified documentation or conflicting information in originating loans and obtaining HUD/FHA mortgage insurance; Avstar failed to ensure that the borrowers met their minimum required investment; Avstar failed to provide lender credits in accordance with the Mortgage Credit Analysis Worksheet; Avstar approved loans where the verification forms passed through the hands of an interested third party; Avstar failed to use HUD assigned fee personnel in cases where the seller was an employee; Avstar charged a

higher document preparation fee than permitted by HUD field offices having jurisdiction where the loans were originated; and Avstar failed to maintain a Quality Control Plan in compliance with HUD requirements.

**8. Bankers Choice Mortgage Corp., Miami, FL**

*Action:* Settlement Agreement signed 2/7/2001. Without admitting fault or liability, Bankers Choice Mortgage Corp. ("BCMC") agreed to a civil money penalty of \$12,000. BCMC also refunded mortgagors in cases where unallowable fees were charged.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: BCMC failed to file an annual loan origination report for 1998 which supplements the requirements of the Home Mortgage Disclosure Act; BCMC failed to establish and maintain a Quality Control Plan for the origination of HUD/FHA insured mortgages; BCMC failed to address a conflict of interest issue in four loans; BCMC charged unacceptable fees in three loans; and BCMC failed to maintain complete origination files in seven cases.

**9. Budget Mortgage Bankers, Ltd., Lake Success, NY**

*Action:* Settlement Agreement signed 11/28/2000. Without admitting fault or liability, Budget Mortgage Bankers, Ltd. ("Budget") agreed to a civil money penalty of \$15,000. Budget agreed to indemnify HUD for any losses incurred on 9 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Budget failed to maintain and implement a Quality Control Plan in compliance with HUD requirements; Budget failed to ensure falsified or conflicting documentation was not used to approve HUD/FHA mortgages in 2 loans; Budget closed a loan that was overinsured by \$867.35; Budget failed to properly underwrite a loan with a non-occupying co-borrower; Budget failed to properly verify income in 3 loans; and Budget failed to properly verify the source and adequacy of funds for the down payment and/or closing in 7 loans.

**10. Capitol Mortgage Bankers, Inc., Millersville, MD**

*Action:* In a letter dated August 3, 2000, the Board withdrew Capitol Mortgage Bankers, Inc.'s ("Capitol") HUD/FHA approval for five years. The Board also voted to impose a civil money penalty in the amount of \$280,500.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: In 36 loans, Capitol relied upon inadequate and invalid compensating factors for loan approval in circumstances of excessive debt-to-income ratios; Capitol failed to identify and/or resolve false or conflicting documentation prior to approving HUD/FHA mortgages; Capitol failed to obtain required documentation in lieu of Verifications of Deposit; Capitol failed to properly verify the source and adequacy of funds for the down payment and/or closing; Capitol failed to close the loans in compliance with the loan approval; Capitol failed to adequately analyze income that was used to qualify the borrower; Capitol failed to ensure that the mortgagors' credit profile used to underwrite the loan met HUD/FHA requirements; and Capitol obtained endorsement for HUD/FHA insurance on an ineligible loan.

#### **11. Community Home Mortgage Corporation, Melville, NY**

*Action:* Settlement Agreement signed January 15, 2001. Without admitting fault or liability, Community Home Mortgage Corporation ("CHMC") agreed to a civil money penalty of \$120,000. CHMC agreed to indemnify HUD for any losses incurred on 17 loans. [See 65 FR at 53732, September 5, 2000, for a prior notice of the proposed settlement.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: CHMC failed to maintain and implement a compliant quality control plan; CHMC failed to file annual loan origination reports since 1991 which supplement the requirements of the Home Mortgage Disclosure Act; CHMC failed to ensure 203(k) rehabilitation work was complete prior to release of escrow funds on 14 loans; CHMC failed to ensure 203(k) rehabilitation completion within 6 months of closing on seven loans; CHMC failed to ensure verification forms did not pass through the hands of an interested third party on one loan; CHMC failed to ensure that mortgagors met minimum required investment requirements on two loans; CHMC failed to adequately document source of funds for downpayment and/or closing costs on two loans; CHMC charged improper fees on one loan; and CHMC failed to properly document two full years of employment on one loan.

#### **12. DMR Financial Services, Inc., Farmington Hills, MI**

*Action:* In a letter dated September 29, 2000, the Board withdrew DMR Financial Services, Inc.'s HUD/FHA approval for three years.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: DMR Financial Services, Inc. ("DMR") failed to make timely payment of Upfront Mortgage Insurance Premiums ("UMIPs") for 30 loans; DMR failed to include payment of UMIPs as a requirement of DMR's Quality Control Plan.

#### **13. Executive Funding Services, Camp Springs, MD**

*Action:* Settlement Agreement signed April 6, 2001. Without admitting fault or liability, Executive Funding Services ("EFS") agreed to a civil money penalty of \$10,000. [See 65 FR at 53732, September 5, 2000, for a prior notice of the proposed settlement.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: EFS failed to maintain a Quality Control Plan; EFS failed to report Home Mortgage Disclosure data for 1996, 1997, and 1998; EFS failed to meet specific requirements that apply to office facilities; EFS allowed the approving underwriter to be paid origination commission on the same transaction; EFS used falsified documentation or conflicting information in originating loans and obtaining HUD/FHA mortgage insurance; EFS closed loans that exceeded HUD/FHA maximum allowable mortgage amounts; EFS failed to properly verify the source and/or adequacy of funds for the downpayment and/or funds to close; EFS failed to maintain all records pertaining to the mortgage loan; EFS approved loans where the ratios exceeded HUD guidelines without compensating factors; EFS failed to adequately verify child support income; EFS failed to document two full years of employment; EFS approved loans where the verification forms passed through the hands of an interested third party; EFS failed to adequately document the satisfaction of collection accounts and judgments; and EFS failed to include all liabilities when calculating the mortgagor's total fixed payment to income ratio.

#### **14. Farmers Bank, Greenwood, Arkansas**

*Action:* Settlement Agreement signed November 28, 2000. Without admitting fault or liability, Farmers Bank ("Farmers") agreed to a civil money penalty of \$40,000. Farmers agreed to indemnify HUD for any losses incurred on 9 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements:

Farmers failed to ascertain whether the water supply was safe before submitting the loan for insurance in 1 loan; Farmers failed to establish that borrowers had sufficient funds to close in 6 loans; Farmers failed to include all borrowers' debts in the loan analysis in 2 loans; Farmers failed to consider contingent liability in 1 loan; Farmers failed to provide complete verification of employment documentation in 2 loans; Farmers failed to evidence whether required repairs to property had been completed in 1 loan; Farmers failed to establish the adequacy of a borrower's income in 1 loan; Farmers failed to consider a history of derogatory credit in approving one loan; and Farmers failed to follow HUD/FHA's late endorsement procedures in 3 loans.

#### **15. FFS Mortgage Corporation, Miami Lakes, FL**

*Action:* Settlement Agreement signed 10/14/2000. Without admitting fault or liability, FFS Mortgage Corporation ("FFSMC") agreed to a civil money penalty of \$2000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: FFSMC failed to file an annual loan origination report for 1998 which supplements the requirements of the Home Mortgage Disclosure Act; FFSMC failed to establish, maintain and implement a Quality Control Plan for the origination of HUD/FHA insured mortgages; and FFSMC charged unallowable fees.

#### **16. Fidelity Home Mortgage Corporation, Timonium, MD**

*Action:* Settlement Agreement signed 2/16/2001. Without admitting fault or liability, Fidelity Home Mortgage Corporation ("Fidelity") agreed to a civil money penalty of \$27,500. Fidelity agreed to indemnify HUD for any losses incurred on one loan. (See 65 FR at 53732, September 5, 2000, for a prior notice of the proposed settlement.)

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Fidelity failed to file annual loan origination reports for 1993 through 1998 which supplements the requirements of the Home Mortgage Disclosure Act; Fidelity failed to maintain separate accounts for MIP/escrow payments; Fidelity failed to maintain and implement an adequate Quality Control Plan; Fidelity failed to provide loan origination files and documents for review for 11 loan files; Fidelity used falsified or conflicting documentation to approve mortgagors in one loan; and Fidelity failed to properly

verify income to approve mortgagors in 2 loans.

**17. Financial Funding Services, Inc., Coral Gables, FL**

*Action:* Settlement Agreement signed 10/14/2000. Without admitting fault or liability, Financial Funding Services, Inc. ("FFSI") agreed to a civil money payment of \$2,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: FFSI failed to file an annual loan origination report for 1998 which supplements the requirements of the Home Mortgage Disclosure Act; FFSI failed to develop, implement, and maintain a Quality Control Plan for the origination of HUD/FHA insured mortgages; FFSI failed to use complete gift letters; FFSI failed to retain documents originating mortgagees are required to maintain; and FFSI failed to address a conflict of interest issue.

**18. First United Mortgage Company, Kenilworth, NJ**

*Action:* Settlement Agreement signed 2/7/2001. Without admitting fault or liability, First United Mortgage Company ("FUMC") agreed to a civil money penalty of \$50,000. FUMC agreed to indemnify HUD for any losses on three loans. In addition, FUMC agreed to refund commitment fees, plus interest, to 16 mortgagors. (For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53733, September 5, 2000.)

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: FUMC failed to file timely annual loan origination reports for 1994 through 1997 which supplements the requirements of the Home Mortgage Disclosure Act; FUMC failed to properly calculate a mortgagor's principal loan amount; FUMC released funds on a 203 (k) rehabilitation loan prior to the work being completed; FUMC used false documentation or conflicting information to approve HUD/FHA mortgagors for three loans; FUMC improperly charged commitment fees in 16 loans; and FUMC failed to maintain an adequate Quality Control Plan.

**19. GAMA Mortgage Corporation, New Orleans, LA**

*Action:* Settlement Agreement signed June 8, 2000. Without admitting fault or liability, GAMA Mortgage Corporation agreed to a civil money penalty of \$1,000. (For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53733, September 5, 2000.)

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: GAMA Mortgage Corporation failed to file an annual loan origination report which supplements the requirements of the Home Mortgage Disclosure Act.

**20. Gateway Funding Diversified Mortgage Services, Conshohocken, PA**

*Action:* Settlement Agreement signed January 22, 2001. Without admitting fault or liability, Gateway Funding Diversified Mortgage Services ("Gateway Funding") agreed to a civil money penalty of \$25,000. In addition, Gateway Funding paid HUD \$2,095 to buy down the overinsured amounts for two loans. (For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53733, September 5, 2000.)

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Gateway Funding failed to implement and maintain a Quality Control Plan in compliance with HUD/FHA requirements; Gateway Funding failed to ensure that mortgagors met their minimum required investment; and Gateway Funding charged mortgagors fees that were not specifically permitted.

**21. Greater Chicago Mortgage Corp., Tinley Park, IL**

*Action:* In a letter dated November 21, 2000, the Board withdrew Greater Chicago Mortgage Corp.'s HUD/FHA approval for three years.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Greater Chicago Mortgage Corp. ("GCMC") failed to have, implement, and maintain an adequate Quality Control Plan that meets HUD guidelines; GCMC failed to maintain complete origination files in 6 loans; and GCMC failed to ensure loan documents did not pass through the hands of an interested third party in one loan.

**22. Hanover Capital Mortgage Corporation, Edison, NJ**

*Action:* Settlement Agreement signed 8/8/2000. Without admitting fault or liability, Hanover Capital Mortgage Corporation agreed to a civil money payment of \$5,000.

*Cause:* HUD's legal services contractor reported that Hanover Capital Mortgage Corporation failed to disclose on the mortgagee certificate a negotiated agreement in which the mortgagor of the multifamily housing project agreed to pay extension fees for late completion of the project. This violated HUD

requirements that the mortgagee disclose the financial terms of the agreement for HUD approval.

**23. Heartland Mortgage, Inc., Tucson, AZ**

*Action:* In a letter dated 2/1/2001, the Board withdrew Heartland Mortgage, Inc.'s ("Heartland") HUD/FHA approval for three years. The Board also voted to impose a civil money penalty in the amount of \$33,000. This action resulted from the Department's inability to finalize a settlement agreement proposed at the March 13, 2000 Mortgagee Review Board meeting, as noted in 65 FR at 53733 (September 5, 2000).

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Heartland failed to implement its quality control plan; Heartland failed to file annual loan origination reports for 1997 and 1998 which supplements the requirements of the Home Mortgage Disclosure Act; Heartland employed two loan officers who were also real estate agents/brokers; Heartland failed to properly document gift letters in two loans; Heartland failed to properly document liabilities in one loan; and Heartland failed to maintain complete loan origination files in 7 loans.

**24. Hollywood Mortgage, Inc., Palmdale, CA**

*Action:* Settlement Agreement signed February 7, 2001. Without admitting fault or liability, Hollywood Mortgage, Inc. ("Hollywood") agreed to a civil money penalty of \$40,000. The Department rescinded its Notice of Proposed Withdrawal dated April 3, 2000. [For the prior **Federal Register** notice on the proposed withdrawal, see 65 FR at 53733, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Hollywood failed to implement and maintain a quality control plan; Hollywood failed to report rejected and withdrawn loans under the Home Mortgage Disclosure Act (HMDA); Hollywood operated also as a real estate office using its office space and staff; and Hollywood allowed employees to work for more than one company involved in the real estate finance business at the same time.

**25. Home Mortgage Company, Gardendale, AL**

*Action:* Settlement Agreement signed December 18, 2000. Without admitting fault or liability, Home Mortgage Company ("HMC") agreed to a payment to HUD of \$7,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Home Mortgage Company ("HMC") failed to file an annual loan origination report for 1998 which supplements the requirements of the Home Mortgage Disclosure Act; HMC failed to establish, maintain, and implement a Quality Control Plan for the origination of HUD/FHA insured mortgages; and HMC allowed non-employees to process loans to be insured by FHA.

**26. Irwin Mortgage Corporation, Indianapolis, IN**

*Action:* Settlement Agreement signed June 8, 2000. Without admitting fault or liability, Irwin Mortgage Corporation ("Irwin") agreed to indemnify HUD for any losses incurred in 16 loans. [For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53734, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Irwin failed to follow HUD required procedures in calculating maximum mortgage amounts, thereby originating HUD/FHA loans that exceeded HUD limits; Irwin failed to reconcile discrepancies between its files and the Uniform Residential Appraisal Report; Irwin failed to conduct face-to-face interviews with prospective borrowers as certified on the Uniform Residential Loan Application ("URLA"); Irwin failed to properly verify the source and adequacy of the funds used for the down payment and/or closing costs; Irwin failed to adequately document income that was used to qualify the borrower; Irwin accepted a Power of Attorney signature for all documentation and failed to obtain the signature of the borrower on the draft or final URLA; Irwin failed to resolve conflicting file information; Irwin failed to obtain required signatures on origination documents; and Irwin failed to re-access CAIVRS when making more loans to a Section 203 (k) investor.

**27. Island Mortgage Network, Inc., Melville, NY**

*Action:* Immediately suspended by letter dated August 3, 2000. [Note, this is a separate action from the immediate withdrawal noted at 65 FR at 53734, September 5, 2000. The immediate nature of the withdrawal was resolved by a Settlement Agreement and the issue of withdrawal and civil money penalties are pending an administrative appeal.]

*Cause:* On June 30, 2000, the New York State Banking Department suspended Island Mortgage Network,

Inc.'s (IMN) license and issued a Notice of Hearing and Statement of Charges for IMN's license revocation. By allowing its license to be suspended, IMN failed to comply with HUD/FHA approval requirements.

**28. Liberty Mortgage Corporation, Birmingham, AL**

*Action:* Settlement Agreement signed August 8, 2000. Without admitting fault or liability, Liberty Mortgage Corporation ("LMC") agreed to a civil money penalty of \$1,000. [For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53734, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: LMC failed to file annual loan origination reports for 1995 through 1999 which supplement the requirements of the Home Mortgage Disclosure Act; LMC failed to develop a Quality Control Plan in compliance with HUD/FHA requirements; and LMC failed to implement a Quality Control program in compliance with HUD/FHA requirements.

**29. Madison Home Equities, Inc., Lake Success, NY**

*Action:* Settlement Agreement signed July 7, 2000. Without admitting fault or liability, Madison Home Equities, Inc. ("MHE") agreed to a civil money penalty of \$71,500. MHE agreed to voluntarily withdraw from participation in all HUD programs and not to reapply for HUD/FHA mortgagee approval for five years. [For the prior **Federal Register** notice concerning an immediate withdrawal, see 65 FR at 53734, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: MHE falsely certified that it did not have a financial interest in Better Homes Depot, Inc.; MHE's President violated underwriting requirements prohibiting interested third parties from performing processing/review functions of borrowers' credit reports and verification forms; MHE used false documentation and failed to resolve conflicting information in HUD/FHA loan origination; in underwriting a loan, MHE ignored the borrower's substantial liability that was attributable to the borrower's home improvement loan that MHE's affiliate entity made to the borrower during the same period of time; MHE relied upon inadequate compensating factors for loan approval in circumstances of excessive debt-to-income ratios; MHE failed to adhere to HUD/FHA credit requirements for

mortgage loan approval; MHE failed to ensure that the borrower met the requirements to purchase a three-unit property; MHE, by ignoring discrepancies between appraisal reports and sales contracts failed to ensure that the appraisals were reliable; and MHE failed to ensure that appraisals met the existing requirements of HUD/FHA for inclusion of at least one conventional comparable.

**30. Mann Financial, Inc., d/b/a Mann Mortgage Financial Services, Kalispell, MT**

*Action:* Settlement Agreement signed 12/18/2000. Without admitting fault or liability, Mann Financial ("Mann") agreed to a civil money penalty of \$75,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Mann engaged in improper "net branching" practices; and Mann had not implemented a quality control plan in compliance with HUD requirements.

**31. Mark 1 Mortgage, Glendale, CA**

*Action:* Settlement Agreement signed 10/14/2000. Without admitting fault or liability, Mark 1 Mortgage ("M1M") agreed to a civil money penalty of \$7,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: M1M failed to file annual loan origination reports for 1997 and 1998 which supplement the requirements of the Home Mortgage Disclosure Act; M1M failed to maintain an acceptable Quality Control Plan for the origination of HUD/FHA insured mortgages; M1M failed to ensure that its employees performing quality control reviews have no direct loan processing or underwriting responsibilities; and M1M allowed one of its loan officers to also work for another real estate business while employed with M1M.

**32. Merit Mortgage Corporation, Boise, Idaho**

*Action:* Settlement Agreement signed 9/25/2000. Without admitting fault or liability, Merit Mortgage Corporation ("MMC") agreed to a civil money penalty of \$2000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: MMC failed to file annual loan origination reports for the years 1993-1999 which supplement the requirements of the Home Mortgage Disclosure Act; and MMC failed to maintain and implement a Quality

Control Plan in compliance with HUD requirements.

### **33. Milestone Mortgage Corporation, LaPalma, CA**

*Action:* In a letter dated January 23, 2001, the Board withdrew Milestone Mortgage Corporation's ("MMC") HUD/FHA approval for five years. The Board also voted to impose a civil money penalty of \$88,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: MMC used fraudulent documents, when it knew or had reason to know the documents used were false, in the origination of HUD/FHA insured loans; MMC allowed non-employees to take FHA loan applications; MMC failed to ensure that the mortgagors met their minimum required investment; MMC permitted "strawbuyers" to qualify for HUD/FHA insured mortgages; and MMC allowed mortgagors to sign documents in blank.

### **34. Molton, Allen & Williams Corporation, Birmingham, AL**

*Action:* Settlement Agreement signed June 8, 2000. Without admitting fault or liability, Molton, Allen & Williams Corporation ("MAW") agreed to a civil money penalty of \$20,000. [For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53735, September 5, 2000.] MAW agreed to indemnify HUD for any losses incurred in 15 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: MAW failed to initiate timely contact with delinquent mortgagors; MAW failed to conduct pre-foreclosure reviews prior to approving foreclosure; MAW failed to evaluate all loss mitigation techniques when three full monthly installments were past due on the mortgage; MAW failed to notify all mortgagors of record of the mortgage default; MAW failed to meet the Department's monthly default reporting requirements; and MAW failed to implement and maintain an adequate Quality Control Plan for the servicing of HUD/FHA insured mortgages.

### **35. Morgan Home Funding Corporation, Rockville, MD**

*Action:* In a letter dated 2/12/2001, the Board withdrew Morgan Home Funding Corporation's ("MHF") HUD/FHA approval for three years. The Board also voted to impose a civil money penalty of \$25,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements:

MHF failed to implement a quality control plan; MHF failed to file annual loan origination reports for the years 1994-1998 which supplement the requirements of the Home Mortgage Disclosure Act; MHF failed to notify HUD when patterns of fraud were discovered; MHF used falsified documentation or conflicting information to originate loans and obtain HUD/FHA mortgage insurance; and MHF failed to provide loan origination files and documentation for review.

### **36. Mortgage Lending of America, Inc., Huntington Station, NY**

*Action:* In a letter dated August 17, 2000, the Board withdrew Mortgage Lending of America, Inc.'s (MLA) HUD/FHA approval for five years. The Board also voted to impose a civil money penalty of \$533,500.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements relating to 97 loans with a nonprofit mortgagor: MLA failed to require the mortgagor to make the total investment noted on each HUD-1 settlement statement; MLA failed to reduce the sales price on all transactions by the amount of recent non-arms-length property sales; MLA failed to determine the source of funds for the mortgagor's total investment noted on each HUD-1 settlement statement; MLA failed to provide true and accurate underwriter and mortgagee certifications; MLA failed to conduct the required application interview with the mortgagor for each transaction; MLA failed to adjust the sales price on each purchase transaction for known incentive payments made to the mortgagor; MLA failed to exclude a participant that was on the List of Parties Excluded from Federal Procurement and Non-procurement Programs; MLA failed to determine that minimum repair escrow eligibility requirements were met; MLA failed to obtain accurate appraisals; MLA failed to approve true and accurate construction draw requests; MLA failed to provide true and accurate HUD-1 settlement statements; MLA allowed the loan proceeds to be disbursed inaccurately; MLA failed to properly monitor the progress of rehabilitation work; and MLA failed to maintain an arms-length transaction with the closing agent.

### **37. National Charter Mortgage Corporation, Gardena, CA**

*Action:* In a letter dated September 29, 2000, the Board withdrew the HUD/FHA approval of National Charter

Mortgage Corporation ("NCMC") for 3 years. The Board also voted to impose a civil money penalty of \$100,000. This action resulted from the Department's inability to finalize a settlement agreement with NCMC as noted in 65 FR at 53736, September 5, 2000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: NCMC failed to conduct Quality Control reviews and to maintain an adequate written Quality Control Plan for origination of HUD/FHA insured mortgages; NCMC failed to comply with the HUD/FHA reporting requirements of the Home Mortgage Disclosure Act (HMDA); and NCMC failed to remit Up Front Mortgage Insurance Premiums within 15 days of loan closing, and to submit these loans for endorsement within 60 days of loan closing.

### **38. Northstar Mortgage Corporation, Dallas, TX**

*Action:* Settlement Agreement signed 4/6/2001. Without admitting fault or liability, Northstar Mortgage Corporation ("NMC") agreed to a civil money penalty of \$8,000. NMC agreed to indemnify HUD on any losses incurred on two loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: NMC failed to properly address derogatory credit information in two loans; NMC failed to properly verify the borrowers' effective income in one loan; NMC failed to properly verify the borrowers' source of funds for the down payment and/or closing costs in two loans; NMC failed to resolve inconsistencies on property appraisal reports in two loans; NMC failed to screen a borrower through the Credit Alert Interactive Voice Response System in one loan; NMC failed to complete loan documentation in three loans; and NMC used gift letters that did not meet HUD/FHA requirements in three loans.

### **39. Ocwen Federal Bank, FSB, West Palm Beach, FL**

*Action:* Settlement Agreement signed 12/18/2000. Without admitting fault or liability, Ocwen Federal Bank, FSB ("OFB") agreed to an administrative payment of \$50,000. OFB will include certain miscellaneous expenses as essential when calculating income available for payment.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: OFB failed to comply with the terms of the Loan Sale Agreement regarding forbearance agreements; and OFB failed

to provide HUD with sufficient information to respond to complaints.

**40. Pacific Charter Mortgage Corporation, Los Alamitos, CA**

*Action:* Settlement Agreement signed January 18, 2001. Without admitting fault or liability, Pacific Charter Mortgage Corporation ("PCMC") agreed to a civil money penalty of \$100,000. PCMC agreed to indemnify HUD for any losses incurred on two loans. (For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53736, September 5, 2000.)

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: PCMC failed to timely remit Up-Front Mortgage Insurance Premiums; PCMC failed to submit loans to HUD/FHA for endorsement in a timely manner; PCMC failed to segregate escrow funds; PCMC failed to implement and maintain a Quality Control Plan for Title I and Title II loan originations; PCMC failed to properly verify and/or document effective income; PCMC failed to document the source of funds; PCMC failed to properly evaluate mortgage credit risk; PCMC failed to include all liabilities in underwriting; PCMC operated as a real estate office; PCMC allowed non-employees to originate loans; and PCMC employed ineligible participants.

**41. Republic Bank, d/b/a Capitol Mortgage, St. Petersburg, FL**

*Action:* Settlement Agreement signed 12/18/2000. Without admitting fault or liability, Republic Bank, d/b/a Capitol Mortgage agreed to the indemnification of one loan.

*Cause:* HUD's Quality Assurance Division found that Republic Bank failed to provide requested 203(k) rehabilitation documentation for review.

**42. Republic Mortgage Corp., now known as Old Kent Mortgage Company, Salt Lake City, UT**

*Action:* Settlement Agreement signed 4/6/2001. Without admitting fault or liability, Old Kent Mortgage Company agreed to a payment to HUD of \$206,000. Old Kent Mortgage Company agreed to indemnify HUD for any losses incurred on up to 3 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Republic Mortgage Corp. operated branch offices under a net branch arrangement and accepted loans originated by entities not approved to do HUD business; Republic Mortgage Corp. allowed non-FHA approved entities to originate and process FHA

loans using its lender ID number; Republic Mortgage Corp. accepted loans from FHA approved mortgagees who allowed non-approved entities the use of their FHA approval to originate, process, and close FHA insured loans using Republic Mortgage Corp.'s ID number, or an approved loan correspondent's ID number; Republic Mortgage Corp. failed to provide evidence that properties met FHA eligibility criteria; Republic Mortgage Corp. failed to retain the entire case file pertaining to loan origination; Republic Mortgage Corp. used language on a Trust Deed Note requiring mortgagors to pay interests on advances of escrow account balances on no-cost streamline refinances; and Republic Mortgage Corp. charged fees of \$50, \$300, and \$350 in four loans which were not in compliance with HUD guidelines.

**43. Rhode Island Housing and Mortgage Finance Corporation, Providence, RI**

*Action:* Settlement Agreement signed June 8, 2000. Without admitting fault or liability, Rhode Island Housing and Mortgage Finance Corporation ("RIHMFC") agreed to a civil money penalty of \$16,500. [For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53736, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: RIHMFC failed to conduct Quality Control reviews and failed to have a written Quality Control Plan; RIHMFC failed to properly document loss mitigation efforts; RIHMFC failed to conduct property inspections timely or at all; RIHMFC failed to initiate management reviews of forbearance, deed-in-lieu and foreclosure recommendations; RIHMFC failed to issue "How to Avoid Foreclosure" pamphlets in a timely manner or at all; RIHMFC failed to identify the reason for default; RIHMFC failed to provide acceptable methods of forbearance relief; RIHMFC failed to adequately contact delinquent borrowers by telephone; RIHMFC failed to accurately report defaulted loans to HUD/FHA; and RIHMFC failed to comply with HUD's policies regarding paid-in-full loans.

**44. Security National Mortgage Company, Murray, UT**

*Action:* Settlement Agreement signed 11/28/2000. Without admitting fault or liability, Security National Mortgage Company ("SNMC") agreed to a civil money penalty of \$75,000. SNMC agreed to indemnify HUD for any losses incurred on 18 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SNMC failed to comply with its own policy and procedures pertaining to discontinuing impermissible net branch arrangements outlined in a July 17, 1997 letter to the Department; SNMC accepted loans originated by personnel not employed by or not exclusively employed by SNMC; SNMC accepted loans originated by non-HUD approved entities; SNMC paid fees/compensation to unauthorized entities or individuals in connection with FHA insured mortgages; SNMC certified to inaccurate HUD-1 settlement statements; SNMC failed to require complete gift letters; SNMC failed to retain the entire case file pertaining to loan origination; and SNMC closed a loan in excess of the maximum allowable resulting in an over-insured mortgage.

**45. Shore Financial Group, Fresno, CA**

*Action:* Settlement Agreement signed 2/7/2001. Without admitting fault or liability, Shore Financial Group ("SFG") agreed to a civil money penalty of \$6,000. In addition SFG paid HUD \$38,237.87 for losses incurred on one loan.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SFG failed to maintain and implement a quality control plan in compliance with HUD requirements; SFG failed to file annual loan origination reports for the years 1995 through 1999, which supplement the requirements of the Home Mortgage Disclosure Act; SFG allowed non-employees to originate HUD/FHA mortgage loans; SFG used false information in originating FHA loans and obtaining HUD/FHA mortgage insurance; and SFG failed to maintain complete origination files.

**46. SimCorp Mortgage Corporation, Aliquippa, PA**

*Action:* Settlement Agreement signed December 18, 2000. Without admitting fault or liability, SimCorp Mortgage Corporation ("SMC") agreed to a civil money penalty of \$1,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SMC failed to have, implement, and maintain an adequate Quality Control Plan that meets HUD guidelines.

**47. SMN Mortgage Corp., Rio Piedras, Puerto Rico**

*Action:* In a letter dated 9/21/2000, the Board withdrew SMN Mortgage Corp.'s HUD/FHA approval for three years.



*Cause:* HUD's Quality Assurance Division found that SMN Mortgage Corp. violated HUD/FHA requirements by failing to ensure that mortgage brokers not approved by HUD/FHA did not participate in the origination and processing of 41 loans insured by the Department.

**48. Somerset Investors Corp., Ozone Park, NY**

*Action:* Settlement Agreement signed 11/28/2000. Without admitting fault or liability, Somerset Investors Corp. ("Somerset") agreed to a civil money penalty of \$3,000. Somerset agreed to indemnify HUD for any losses incurred on 3 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Somerset failed to file annual loan origination reports for the years 1996, 1997, and 1998, which supplement the requirements of the Home Mortgage Disclosure Act; Somerset failed to properly verify the source and adequacy of funds for the down payment and/or closing costs in 2 loans; Somerset failed to adequately verify the income used to qualify the borrowers in 1 loan; Somerset failed to resolve conflicting information contained in the property appraisal and other documents in the file in 1 loan; and Somerset failed to have, implement and maintain an adequate Quality Control Plan that meets HUD guidelines.

**49. Southern Mortgage Investment Corp., Marietta, GA**

*Action:* Settlement Agreement signed 11/28/2000. Without admitting fault or liability, Southern Mortgage Investment Corp. ("SMIC") agreed to a civil money penalty of \$1000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SMIC failed to develop, implement, and maintain a Quality Control Plan.

**50. Specialty Mortgage Corporation, Hialeah, FL**

*Action:* In a letter dated February 5, 2001, the Board withdrew Specialty Mortgage Corporation's ("SMC") HUD/FHA approval for three years. In addition, the Board voted to impose a civil money penalty of \$8,000.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SMC failed to establish, maintain and implement a Quality Control Plan; SMC used false documents to originate HUD/FHA mortgages; and SMC failed to maintain complete origination files in 11 loans.

**51. Summit Mortgage Corporation, Houston, TX**

*Action:* Settlement Agreement signed December 18, 2000. Without admitting fault or liability, Summit Mortgage Corporation ("Summit") agreed to a civil money penalty of \$75,000. Summit agreed to indemnify HUD for any losses on 19 loans. [For the prior **Federal Register** notice on the proposed settlement agreement, see 65 FR at 53736, September 5, 2000.]

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: Summit falsely certified mortgagors' income and/or number of dependents to the HUD-funded HOME and/or State Program to obtain unwarranted grants for downpayments; Summit used false information in originating FHA loans and obtaining HUD/FHA mortgage insurance; Summit falsely certified that Verifications of Employment were sent directly to the applicants' employers and/or provided false verbal employment certifications; Summit provided false Traditional and/or Non-Traditional credit documentation to qualify mortgagors and/or accepted Non-Traditional credit documentation that does not meet FHA guidelines; Summit failed to verify the source of funds required for closing; Summit failed to provide a dollar-for-dollar reduction to the sales price for an inducement to purchase; Summit used inaccurate income to qualify a mortgagor; Summit failed to clarify or document major file discrepancies; Summit failed to perform Direct Endorsement underwriting within HUD/FHA established guidelines; Summit failed to perform pre-approved field reviews; and Summit failed to require complete gift letters.

**52. Sunstate Mortgage, Inc., d/b/a Sun America Mortgage, Daytona Beach, FL**

*Action:* Immediately suspended by letter dated December 13, 2000.

*Cause:* On October 25, 2000, the State of Rhode Island Department of Business Regulation issued an Emergency Order Suspending the Lender License of Sunstate Mortgage ("SM"). On October 26, 2000, the State of Rhode Island issued an Emergency Order withdrawing SM's approval to conduct lending activity. By allowing its license to be suspended and withdrawn, SM failed to comply with HUD/FHA approval requirements.

**53. SunTrust Mortgage, Inc., f/k/a Crestar Mortgage Company, Richmond, VA**

*Action:* Settlement Agreement signed 2/7/2001. Without admitting fault or

liability, SunTrust Mortgage, Inc. ("SunTrust") agreed to a civil money penalty of \$25,000. SunTrust also agreed to indemnify HUD for any losses incurred on 19 loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: SunTrust failed to ensure that repairs were completed prior to the release of escrow funds in 7 loans; SunTrust failed to ensure that contractors obtained the required building permits in 8 loans; SunTrust failed to provide adequate descriptions of each work item in the 203(k) plans in 22 loans; SunTrust failed to acquire prior approval of the mortgagor and underwriter prior to allowing contingency reserves to be used in 23 loans; SunTrust failed to document the stability of income in one loan; SunTrust failed to verify the source of funds used for the down payment and/or closing costs in one loan; and SunTrust failed to provide different choices to mortgagors regarding the selection of 203(k) consultants and/or general contractors in 5 loans.

**54. Union Planters Bank, Cordova, TN**

*Action:* Settlement Agreement signed 12/21/2000. Without admitting fault or liability, Union Planters Bank ("UPB") agreed to a payment of \$30,000. UPB indemnified HUD \$21,308.59 for losses incurred in one loan. In addition, UPB agreed to indemnify HUD for any losses incurred on eight other loans.

*Cause:* HUD's Quality Assurance Division made the following findings of violations of HUD/FHA requirements: UPB failed to adequately document the sufficiency and/or source of funds required to close loan transactions; UPB failed to adequately document the liabilities of a non-purchasing spouse; UPB failed to calculate the applicant's income properly and omitted liabilities in the loan analysis resulting in an excessive debt to income ratio; UPB failed to clarify or document an important file discrepancy and approved a loan with an unpaid judgment on a borrower who was a questionable credit risk; UPB failed to resolve discrepancies related to paid earnest money deposits; and UPB failed to follow HUD's guidelines in verifying a borrower's employment.

**55. Whitehall Funding Inc., Indianapolis, IN**

*Action:* In a letter dated December 20, 2000, the Board withdrew Whitehall Funding, Inc.'s ("Whitehall") HUD/FHA approval for five years. In addition, the Board voted to impose a civil money penalty of \$5,500.00.



*Cause:* HUD acquired information that revealed the following serious violation of HUD/FHA requirements: Whitehall diverted and misappropriated reserve for replacement funds held on behalf of HUD Project No. 071-36627, Waterford Estates.

Dated: July 2, 2001.

**John C. Weicher,**

*Assistant Secretary for Housing-Chairman,  
Mortgagee Review Board.*

[FR Doc. 01-18330 Filed 7-20-01; 8:45 am]

**BILLING CODE 4210-27-P**

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[5420-D024; IDI-33416]

#### Disclaimer of Interest in Lands; Idaho

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** An application has been filed by the City of Coeur d'Alene, Idaho, for a recordable disclaimer of interest in certain land by the United States.

**DATES:** Comments should be received by October 22, 2001.

**ADDRESSES:** Comments or objections should be sent to: Eric Thomson, Field Manager, BLM Coeur d'Alene Field Office, 1808 N. Third St., Coeur d'Alene, ID 83814.

**FOR FURTHER INFORMATION CONTACT:**

Scott Forssell, BLM Coeur d'Alene, Field Office, 1808 N. Third St., Coeur d'Alene, ID 83814. Phone (208) 769-5044.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 315 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1745), the City of Coeur d'Alene has filed an application requesting the United States to issue a recordable disclaimer of interest in the following described land: Boise Meridian, Idaho T. 50 N., R. 4 W., section 14, lot 48, containing 20 acres more or less, (including that portion of lot 48 encumbered by right-of-way serial number IDI-1335, issued to the Coeur d'Alene and Spokane Railroad Co., Ltd., on May 8, 1903) as described in the official survey record approved October 28, 1904.

The above described land was conveyed to the City of Coeur d'Alene by an Act of Congress on April 28, 1904. However, the survey completed in 1904 erroneously portrayed the railroad right-of-way as a separate parcel. A recordable disclaimer of interest will be issued to remove the ambiguity created

by the survey, allowing the City ownership of the entire parcel subject to outstanding rights that may have been in place at the time the Act was passed.

For a period of 90 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed disclaimer may present their views in writing to the undersigned officer at the above address. Accordingly, a recordable disclaimer of interest will be issued no sooner than 90 days after the date of this publication.

Dated: July 2, 2001.

**Eric R. Thomson,**

*Field Manager.*

[FR Doc. 01-18267 Filed 7-20-01; 8:45 am]

**BILLING CODE 4310-66-M**

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[(ID-957-1020-BJ)]

#### Idaho: Filing of Plats of Survey

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice.

**SUMMARY:** The plats of the following described lands were officially filed in the Idaho State Office, Bureau of Land Management, Boise, Idaho, effective 9:00 a.m., on the dates specified: The supplemental plat to correct certain inadvertently depicted distances on the line between corners 1 and 2 of the SBMS-2 millsite, as noted on the plat accepted March 4, 1992, T. 13 N., R. 15 E., Boise Meridian, Idaho, and was accepted March 19, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management.

The supplemental plat to correct the bearing between traverse point Nos. 23 and 24, inadvertently depicted as S.0°38' W., on the plat accepted April 14, 1998, T. 17 N., R. 23 E., Boise Meridian, Idaho, and was accepted March 19, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management.

The plat representing the dependent resurvey of a portion of the First Standard Parallel South on the south boundary of T. 6 S., R. 39 E., Boise Meridian, Idaho, was accepted May 25, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management. The plat representing the dependent resurvey of a portion of the First Standard Parallel South on the south boundary of T. 6 S.,

R. 40 E., and a portion of the subdivisional lines, and the subdivision of section 5, T. 7 S., R. 40 E., Boise Meridian, Idaho, was accepted May 25, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management. The plat representing the dependent resurvey of a portion of the subdivisional lines of T. 5 S., R. 8 E., Boise Meridian, Idaho, was accepted May 25, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management.

The plat representing the dependent resurvey and corrective dependent resurvey of portions of the east boundary (west boundary of T. 6 S., R. 13 E.), portions of the subdivisional lines, and portions of the subdivision of certain sections, and the dependent resurvey of portions of the west boundary and Lot 1, section 17 in T. 6 S., R. 12 E., Boise Meridian, Idaho, was accepted June 6, 2001. The plat was prepared to meet certain administrative needs of the Bureau of Land Management.

**FOR FURTHER INFORMATION CONTACT:**

Duane Olsen, Chief, Cadastral Survey, Idaho State Office, Bureau of Land Management, 1387 South Vinnell Way, Boise, Idaho, 83709-1657, 208-373-3980.

Dated: July 2, 2001.

**Jeff A. Lee,**

*Acting Chief, Cadastral Surveyor for Idaho.*

[FR Doc. 01-18268 Filed 7-20-01; 8:45 am]

**BILLING CODE 4310-GG-P**

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[NMNM 103686]

#### Notice of Proposed Withdrawal and Opportunity for Public Meeting; NM

**AGENCY:** Bureau of Land Management (BLM), Interior

**ACTION:** Notice.

**SUMMARY:** The United States Forest Service has filed an application to withdraw approximately 80 acres of National Forest System land for protection of the Davenport Electronic Site located on the Magdalena Ranger District on the Cibola National Forest. This notice segregates the land for up to 2 years from location and entry under the United States mining laws. The land will remain open to all other uses which may be made of National Forest System lands.