

of a project mortgage. HUD monitors compliance with contractual agreements analyzes cash flow trends as well as occupancy and rent collection levels.

**DATES:** *Comments Due Date:* April 9, 2004.

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB approval number (2502-0108) should be sent to: HUD Desk Officer, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503; Fax number (202) 395-6974; E-mail [Melanie\\_Kadlic@omb.eop.gov](mailto:Melanie_Kadlic@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** Wayne Eddins, Reports Management Officer, AYO, Department of Housing and Urban Development, 451 Seventh Street, Southwest, Washington, DC 20410; e-mail [Wayne\\_Eddins@HUD.gov](mailto:Wayne_Eddins@HUD.gov); telephone (202) 708-2374. This is not a toll-free number. Copies of the proposed forms and other available documents

submitted to OMB may be obtained from Mr. Eddins.

**SUPPLEMENTARY INFORMATION:** The Department has submitted the proposal for the collection of information, as described below, to OMB for review, as required by the Paperwork Reduction Act (44 U.S.C. chapter 35). The Notice lists the following information: (1) The title of the information collection proposal; (2) the office of the agency to collect the information; (3) the OMB approval number, if applicable; (4) the description of the need for the information and its proposed use; (5) the agency form number, if applicable; (6) what members of the public will be affected by the proposal; (7) how frequently information submissions will be required; (8) an estimate of the total number of hours needed to prepare the information submission including number of respondents, frequency of response, and hours of response; (9) whether the proposal is new, an extension, reinstatement, or revision of

an information collection requirement; and (10) the contact information of an agency official familiar with the proposal and the OMB Desk Officer for the Department.

This Notice also lists the following information:

*Title of Proposal:* Monthly Accounting Reports.

*OMB Approval Number:* 2502-0108.

*Form Numbers:* HUD-93479, HUD-93480, HUD-93481.

*Description of the Need for the Information and its Proposed Use:* This submission is a request to reinstate approval to collect information necessary to assess the need for remedial actions to correct project deficiencies or head off potential default of a project mortgage. HUD monitors compliance with contractual agreements analyzes cash flow trends as well as occupancy and rent collection levels.

*Respondents:* Business or other for-profit and Not-for-profit institutions.

*Frequency of Submission:* Monthly.

	Number of respondents	×	Annual responses	×	Hours per response	=	Burden hours
Reporting Burden .....	4,000		12		3.5		168,000

*Total Estimated Burden Hours:* 168,000.

*Status:* Reinstatement, without change, of previously approved collection.

**Authority:** Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended.

Dated: March 3, 2004.

**Wayne Eddins,**

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

[FR Doc. 04-5315 Filed 3-9-04; 8:45 am]

**BILLING CODE 4210-72-P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4513-N-15]

### Credit Watch Termination Initiative

**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 Origination Approval Agreements taken by the 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 Origination Approval Agreements 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 (64 FR 26769), HUD published a notice 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 Origination Approval Agreements terminated.

*Termination of Origination Approval Agreement:* Approval of a mortgagee by HUD/FHA to participate in FHA mortgage insurance programs includes an Origination Approval Agreement

(Agreement) between HUD and the mortgagee. Under the Agreement, the mortgagee is authorized to originate single family mortgage loans and submit them to FHA for insurance endorsement. The Agreement may be terminated on the basis of poor performance of FHA-insured mortgage loans originated by the mortgagee. The termination of a mortgagee's Agreement 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 Agreement with any mortgagee having a default and claim rate for loans endorsed within the preceding 24 months that exceeds 200 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 the 17th review period, HUD is only terminating the Agreement of mortgagees whose default and claim rate exceeds both the national rate and 200 percent of the field office rate.

*Effect:* Termination of the Agreement precludes that branch(s) of the mortgagee from originating 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 (1) those already underwritten and approved by a Direct Endorsement (DE) underwriter employed by an unconditionally approved DE lender and (2) cases covered by a firm commitment issued by HUD. Cases at earlier stages of processing cannot be submitted for insurance by the terminated branch; however, they may be transferred for completion of processing and underwriting to another mortgagee or branch authorized to originate FHA insured mortgages 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 a new Origination Approval Agreement if the mortgagee continues to be an approved mortgagee meeting the requirements of 24 CFR 202.5, 202.6, 202.7, 202.8 or 202.10 and 202.12, if there has been no Origination Approval Agreement for at least six months, and if the Secretary determines that the underlying causes for termination have been remedied. To enable the Secretary to ascertain whether the underlying causes for termination have been remedied, a mortgagee applying for a new Origination Approval Agreement must obtain an independent review 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 review must be conducted and

issued by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as provided by the General Accounting 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.

*Action:* The following mortgagees have had their Agreements terminated by HUD:

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Home ownership centers
American United Mtg Serv .....	4230 LBJ Freeway Ste 626 Dallas, TX 75244.	Dallas, TX .....	11/29/2003	Denver
American United Mtg Serv .....	4230 LBJ Freeway Ste 626 Dallas, TX 75244.	Fort Worth, TX .....	11/29/2003	Denver
Approval First Mortgage .....	3510 S Florida Ave Ste 102 Lakeland, FL 33803.	Tampa, FL .....	12/26/2003	Atlanta
BSM Financial LP .....	16479 Dallas Parkway, #211 Addison, TX 75001.	Fort Worth, TX .....	12/24/2003	Denver
Community Central Mortgage ...	85 North Main St. Ste 301 Mt. Clemens, MI 48083.	Detroit, MI .....	12/26/2003	Philadelphia
Enterprise Mortgage .....	14200 Northbrook Dr. San Antonio, TX 78232.	San Antonio, TX .....	12/24/2003	Denver
Fortune Mortgage .....	955 Congress Park Dr. Centerville, OH 45459.	Cincinnati, OH .....	12/29/2003	Philadelphia
Home Loan Corporation .....	1112 East Copeland Rd. Ste 550, Arlington, TX 76011.	Dallas, TX .....	12/24/2003	Denver
Legacy Mortgage .....	12800 S Ridgeland Ste G Palos Heights, IL 60463.	Chicago, IL .....	12/24/2003	Atlanta
Meier Mortgage .....	7035 Bee Caves Road Ste 103 Austin, TX 78746.	San Antonio, TX .....	11/29/2003	Denver
Metrociti Mortgage .....	4500 California Ave, #204 Bakersfield, CA 93309.	Fresno, CA .....	12/12/2003	Santa Ana
New Freedom Mortgage .....	5248 So. Pinemont Dr. #C-190 Murray, UT 84123.	Salt Lake City, UT ....	12/24/2003	Denver
Pinnacle Financial .....	2611 Technology Dr. Orlando, FL 32804 ....	Tampa, FL .....	12/2/2003	Atlanta
Prem Mortgage .....	8678 West Spring Mtn Rd, #130, Las Vegas, NV 89117.	Las Vegas, NV .....	12/24/2003	Santa Ana
Premiere Service Mortgage .....	297 Buttermilk Pike Fort Mitchell, KY 41017	Cincinnati, OH .....	11/29/2003	Philadelphia
Progressive Mortgage .....	5400 Transportation Blvd Ste 8 Cleveland, OH 44125.	Cleveland, OH .....	12/24/2003	Philadelphia
RBC Mortgage Company .....	5801 Allentown Road Camp Springs, MD 20746.	Baltimore, MD .....	12/24/2003	Philadelphia
Standard Home Mortgage .....	35787 Moravian Dr. Clinton Twp, MI 48035	Detroit, MI .....	12/29/2003	Philadelphia
Sunpoint Corporation .....	2400 S. Cimarron Rd. Ste 130 Las Vegas, NV 89117.	Las Vegas, NV .....	12/29/2003	Santa Ana

Dated: March 5, 2004.

**John C. Weicher,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

[FR Doc. 04-5396 Filed 3-9-04; 8:45 am]

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4917-N-01]

### Mortgage and Loan Insurance Programs Under the National Housing Act—Debenture Interest Rates

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

**ACTION:** Notice.

**SUMMARY:** This notice announces changes in the interest rates to be paid on debentures issued with respect to a loan or mortgage insured by the Federal Housing Commissioner under the provisions of the National Housing Act (the Act). The interest rate for debentures issued under section 221(g)(4) of the Act during the 6-month period beginning January 1, 2004, is 5¼ percent. The interest rate for debentures issued under any other provision of the Act is the rate in effect on the date that the commitment to insure the loan or mortgage was issued, or the date that the loan or mortgage was endorsed (or initially endorsed if there are two or more endorsements) for insurance, whichever rate is higher. The interest rate for debentures issued under these other provisions with respect to a loan or mortgage committed or endorsed during the 6-month period beginning January 1, 2004, is 5⅓ percent. However, as a result of a recent amendment to section 224 of the Act, if an insurance claim relating to a mortgage insured under sections 203 or 234 of the Act and endorsed for insurance after January 23, 2004 is paid cash, the debenture interest rate for purposes of calculating a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years.

**FOR FURTHER INFORMATION CONTACT:** L. Richard Keyser, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 2232, Washington, DC 20410-8000; telephone (202) 755-7500 (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 1-800-877-8339.

**SUPPLEMENTARY INFORMATION:** Section 224 of the National Housing Act (12 U.S.C. 1715o) provides that debentures issued under the Act with respect to an insured loan or mortgage (except for debentures issued pursuant to Section 221(g)(4) of the Act) will bear interest at the rate in effect on the date the commitment to insure the loan or mortgage was issued, or the date the loan or mortgage was endorsed (or initially endorsed if there are two or more endorsements) for insurance, whichever rate is higher. This provision is implemented in HUD's regulations at 24 CFR 203.405, 203.479, 207.259(e)(6), and 220.830. These regulatory provisions state that the applicable rates of interest will be published twice each year as a notice in the **Federal Register**.

Section 224 further provides that the interest rate on these debentures will be set from time to time by the Secretary of HUD, with the approval of the Secretary of the Treasury, in an amount not in excess of the annual interest rate determined by the Secretary of the Treasury pursuant to a statutory formula based on the average yield of all outstanding marketable Treasury obligations of maturities of 15 or more years.

The Secretary of the Treasury (1) has determined, in accordance with the provisions of Section 224, that the statutory maximum interest rate for the period beginning January 1, 2004, is 5¼ percent; and (2) has approved the establishment of the debenture interest rate by the Secretary of HUD at 5⅓ percent for the 6-month period beginning January 1, 2004. This interest rate will be the rate borne by debentures issued with respect to any insured loan or mortgage (except for debentures issued pursuant to Section 221(g)(4)) with insurance commitment or endorsement date (as applicable) within the first 6 months of 2004.

For convenience of reference, HUD is publishing the following chart of debenture interest rates applicable to mortgages committed or endorsed since January 1, 1980:

Effective interest rate	On or after	Prior to
9½ .....	Jan. 1, 1980 ....	July 1, 1980.
9⅞ .....	July 1, 1980 ....	Jan. 1, 1981.
11¾ .....	Jan. 1, 1981 ....	July 1, 1981.
12⅞ .....	July 1, 1981 ....	Jan. 1, 1982.
12¾ .....	Jan. 1, 1982 ....	Jan. 1, 1983.
10¼ .....	Jan. 1, 1983 ....	July 1, 1983.
10⅜ .....	July 1, 1983 ....	Jan. 1, 1984.
11½ .....	Jan. 1, 1984 ....	July 1, 1984.
13⅜ .....	July 1, 1984 ....	Jan. 1, 1985.
11⅞ .....	Jan. 1, 1985 ....	July 1, 1985.
11⅞ .....	July 1, 1985 ....	Jan. 1, 1986.

Effective interest rate	On or after	Prior to
10¼ .....	Jan. 1, 1986 ....	July 1, 1986.
8¼ .....	July 1, 1986 ....	Jan. 1, 1987.
8 .....	Jan. 1, 1987 ....	July 1, 1987.
9 .....	July 1, 1987 ....	Jan. 1, 1988.
9⅞ .....	Jan. 1, 1988 ....	July 1, 1988.
9⅜ .....	July 1, 1988 ....	Jan. 1, 1989.
9¼ .....	Jan. 1, 1989 ....	July 1, 1989.
9 .....	July 1, 1989 ....	Jan. 1, 1990.
8⅞ .....	Jan. 1, 1990 ....	July 1, 1990.
9 .....	July 1, 1990 ....	Jan. 1, 1991.
8¾ .....	Jan. 1, 1991 ....	July 1, 1991.
8½ .....	July 1, 1991 ....	Jan. 1, 1992.
8 .....	Jan. 1, 1992 ....	July 1, 1992.
8 .....	July 1, 1992 ....	Jan. 1, 1993.
7¾ .....	Jan. 1, 1993 ....	July 1, 1993.
7 .....	July 1, 1993 ....	Jan. 1, 1994.
6⅝ .....	Jan. 1, 1994 ....	July 1, 1994.
7¾ .....	July 1, 1994 ....	Jan. 1, 1995.
8⅜ .....	Jan. 1, 1995 ....	July 1, 1995.
7¼ .....	July 1, 1995 ....	Jan. 1, 1996.
6½ .....	Jan. 1, 1996 ....	July 1, 1996.
7¼ .....	July 1, 1996 ....	Jan. 1, 1997.
6¾ .....	Jan. 1, 1997 ....	July 1, 1997.
7⅞ .....	July 1, 1997 ....	Jan. 1, 1998.
6⅜ .....	Jan. 1, 1998 ....	July 1, 1998.
6⅞ .....	July 1, 1998 ....	Jan. 1, 1999.
5½ .....	Jan. 1, 1999 ....	July 1, 1999.
6⅞ .....	July 1, 1999 ....	Jan. 1, 2000.
6½ .....	Jan. 1, 2000 ....	July 1, 2000.
6½ .....	July 1, 2000 ....	Jan. 1, 2001.
6 .....	Jan. 1, 2001 ....	July 1, 2001.
5⅞ .....	July 1, 2001 ....	Jan. 1, 2002.
5¼ .....	Jan. 1, 2002 ....	July 1, 2002.
5¾ .....	July 1, 2002 ....	Jan. 1, 2003.
5 .....	Jan. 1, 2003 ....	July 1, 2003.
4½ .....	July 1, 2003 ....	Jan. 1, 2004.
5⅞ .....	Jan. 1, 2004 ....	July 1, 2004.

Section 215 of HUD's 2004 Appropriations Act amended section 224 of the Act, to change the debenture interest rate for purposes of calculating certain insurance claim payments made in cash. Therefore, effective immediately, for all claims paid in cash on mortgages insured under section 203 or 234 of the National Housing Act and endorsed for insurance after January 23, 2004, the debenture interest rate will be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years, as found in Federal Reserve Statistical Release H-15. The Federal Housing Administration is in the process of making conforming amendments to applicable regulations to fully implement this recent change to section 224 of the Act.

Section 221(g)(4) of the Act provides that debentures issued pursuant to that paragraph (with respect to the assignment of an insured mortgage to the Secretary) will bear interest at the "going Federal rate" in effect at the time the debentures are issued. The term "going Federal rate" is defined to mean the interest rate that the Secretary of the