



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

SINGLE FAMILY HOUSING



Welcome to...

Notifications: What FHA Needs to Know and When

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- Online: www.hud.gov/answers
- Email: answers@hud.gov
- Phone: [1-800-Call-FHA](tel:1-800-Call-FHA) (1-800-225-5342)

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- Documents/Materials:
 - Click **Chat** icon or **Landing Page**
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- Training Evaluation:
 - Click on the **Chat** icon or **Landing Page** and select the *Survey* link.

Helpful Links

Click on the **Chat** icon or **Landing Page** and select links to bookmark:

- FHA Lenders page:
https://www.hud.gov/program_offices/housing/sfh/lender
- FHA FAQ page:
<https://www.hud.gov/FHAFAQ>
- Single Family Housing Archived (On Demand) Webinar's page:
https://www.hud.gov/program_offices/housing/sfh/events/sfh_webinars





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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Office of Lender Activities and Program Compliance

Notifications: **What FHA Needs to Know and When**

January 26, 2022

Presented by:

Carlette Taylor

Mortgagee Approval Analyst

Lender Approval and Recertification Division

Sherica Achike

Auditor

Lender Approval and Recertification Division



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Agenda

Notifications to FHA

Change Requests

Notice of Material Events

Resources

Q&A



Notifications to FHA



Notifications to FHA

FHA-approved Mortgagees have an ongoing requirement to notify FHA of any changes to the information provided at the time of application for FHA approval, as well as changes that might impact eligibility to participate in FHA programs.

All notifications to FHA should be submitted in the Lender Electronic Assessment Portal (LEAP) within 10 business days of the change, unless otherwise specified in FHA's policy guidance.

Types of Notifications:

- Change Request
- Notice of Material Event

Change Requests

Change Requests

Any update to the institution's FHA profile that cannot be made by the Mortgagee directly must be submitted as a Change Request in LEAP within 10 business days. These notifications require FHA review before approval.



Change Requests (cont.)

Change Requests include, but are not limited to:

- Lender Organizational Change
 - **New Corporate Officer**
 - **Ad Hoc**
 - **Name Change**
 - **Fiscal Year and Date Change**
- Add Institution DBA
- **Merger**
- **Acquisition**
- **Voluntary Withdrawal**
- Add Insurance Authority
- Geographic Address State Change

Submitting Change Requests

LEAP

Lender Electronic Assessment Portal

U.S. Department of Housing and Urban Development

[Home](#) [Institution](#) [Branches](#) [Recertification](#) [History](#) [Requests](#) [Cash Flow Account Setup](#) [EFT Account Setup](#)

[Create New Request](#)
[View/Edit Submitted Requests](#)

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Institution ID: 00001 Insurance Type: Title 1 and Title 2 Mortgagee Type: Supervised Institution Supervising Agency: Not Applicable	Tax ID: 53-0196955 NMLS ID: 11111111
Fiscal Year End Date: December 31 Recertification Due Date: 03/31/2021 Last Recertification Date: 06/03/2016 Last Payment Received Date: 08/18/2019	Total Active Branches: 0 Functions Authorized to Perform: Originate Multi Family Service Multi Family Authorized For: Title 2 DE Forward Title 1 DE Base

Submitting Change Requests (cont.)

LEAP

Lender Electronic Assessment Portal

U.S. Department of Housing and Urban Development

Home Institution Branches Recertification History Requests Cash Flow Account Setup EFT Account Setup

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Information

* Request Type

Details

Requestor Comments

Attachments

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Attachment-0 Browse... X +

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New Corporate Officer

Changes in Corporate Officers must be updated in LEAP as they occur.

- To add a Corporate Officer or Officer in Charge, submit a “New Corporate Officer” request.
 - Select from the drop down to indicate whether the new Corporate Officer will be Officer in Charge.
- To remove or edit information for a Corporate Officer, submit an “Ad Hoc” request.
 - Submit this request type to remove a Corporate Officer or to edit Corporate Officer information.

New Corporate Officer (cont.)

Documentation Requirements				
	Supervised	Non-Supervised	Investing	Government
Cover Letter	•	•	•	•
Current Resume	•	•	•	•
Current Personal Tri-Merged Credit Report		•	•	
Full Name	•	•	•	•
Current Title	•	•	•	•
Social Security Number	•	•	•	•

Name Change

Mortgagees must submit a Name Change Request when the Institution has legally changed its business name, ***but the Tax Identification Number and organizational structure remains the same.***

The name change must be reflected in the Nationwide Mortgage Licensing System.

Name Change (cont.)

Required Documentation				
(The new legal name of the entity must be shown on each document)	Supervised	Non-Supervised	Investing	Government
Cover Letter	•	•	•	•
Amendment to Articles of Incorporation or Articles of Organization		•	•	•
Charter Amendment	•			
Evidence change has been approved by state in which home office is located	•	•	•	•

Fiscal Year End Change

Mortgagees that wish to change their fiscal year end date must submit a request at least 90 days before the end of their current fiscal year, as reported to FHA.

The Mortgagee may be required to submit interim financial statements to ensure the next annual recertification covers no more than 18 months.

Mergers and Acquisitions

FHA-approved Mortgagees involved in Mergers, Acquisitions or Reorganizations are required to notify the Federal Housing Administration (FHA) by submitting a Change Request through the Lender Electronic Assessment Portal (LEAP).

The Change Request should be submitted as early in the process as possible to ensure timely processing.

Mergers and Acquisitions (cont.)

Required Documentation		FHA approved merging with FHA approved	Non-FHA approved merging with FHA approved	FHA approved merging with Non-FHA approved	FHA approved acquiring FHA approved	FHA approved acquiring Non-FHA approved	Non-FHA approved acquiring FHA approved
Cover Letter		•	•	•	•	•	•
Non-Surviving Request for Withdrawal				•			•
Merger/Purchase Agreement		•	•	•	•	•	•
Certificate of Merger		•	•	•			
Articles of Dissolution						•	
For Supervised Institutions Only	Interagency Bank Merger Act	•		•			
	Evidence of Regulatory Approval	•	•	•	•	•	•

Voluntary Withdrawal

A Mortgagee that does not wish to or is ineligible to retain its FHA approval must submit a request for voluntary withdrawal. The Mortgagee must include a letter signed by a registered Corporate Officer.

To submit the request in LEAP you must:

- Be a registered Corporate Officer in LEAP
- Have the Certifying Official Role assigned in FHA Connection

Voluntary Withdrawal (cont.)

Before submitting a request for Voluntary Withdrawal, the Mortgagee must:

- Transfer the servicing and ownership of any FHA-insured Mortgages in its portfolio to an FHA Approved Lender;
- Ensure the Mortgage Portfolio changes for sold/transferred loans have been recorded properly in HUD systems; and
- Close-out all post-endorsement Lender Reviews in the Loan Review System: Satisfy all outstanding payable indemnification debts and Mortgage Insurance Premiums (MIP); and Satisfy all settlement agreement obligations owed to HUD.

Notice of Material Event



Notice of Material Event

A Notice of Material Event is the method of submitting a required notice to FHA in LEAP.

These notifications are required when the information provided by the Mortgagee at application has changed, or there is a change that affects the Mortgagee's eligibility.

Notice of Material Event (cont.)

Some Notice of Material Event types include:

- Bankruptcy
- Business Change Form
- Change in Partnership
- **Fidelity Bond or E&O Insurance**
- Lending License(s) Surrender
- **Liquid Assets Deficiency**
- **Net Worth Deficiency**
- Operating Loss
- Principal Activity Change
- **Principal Owners**
- Supervision Change
- **Unresolved Findings/Sanctions**

Notice of Material Event (cont.)

LEAP
Lender Electronic Assessment Portal

U.S. Department of Housing and Urban Development

Home Institution Branches Recertification History Requests Cash Flow Account Setup EFT Account Setup

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Profile Details

Addresses

Corporate Personnel

Doing Business As Names

Affiliations

Areas Approved For Business

Notice of Material Event

Submit New Notice of Material Event

Notice of Material Event History

Institution ID: 00001

Insurance Type: Title 1 and Title 2

Mortgagee Type: Supervised Institution

Supervising Agency: Not Applicable

Tax ID: 53-0196955

NMLS ID: 11111111

Fiscal Year End Date: December 31

Recertification Due Date: 03/31/2021

Last Recertification Date: 06/03/2016

Last Payment Received Date: 08/18/2019

Total Active Branches: 0

Functions Authorized to Perform: Originate Multi Family
Service Multi Family

Authorized For: Title 2 DE Forward
Title 1 DE
Base

Notice of Material Event (cont.)

LEAP

Lender Electronic Assessment Portal


U.S. Department of Housing and Urban Development

Home Institution ▾ Branches ▾ Recertification ▾ History ▾ Requests ▾ Cash Flow Account Setup EFT Account Setup

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Notice Of Material Event Details



* Notice of Material Event Type: ▾



* Event Date: 

* Additional Comments:

Attachments

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Fidelity Bond and E&O Insurance

A Mortgagee must notify FHA of any significant changes in its fidelity bond coverage or errors and omissions (E&O) insurance.

If a Mortgagee loses its fidelity bond coverage or its errors and omissions insurance, it must obtain a new policy within 30 days.

Principal Owners

- Privately held corporations must notify FHA if an individual or entity that previously owned less than 25 percent of the Mortgagee's voting stock acquires additional voting stock resulting in ownership of 25 percent or more;
 - Publicly traded corporations must notify FHA if an individual or entity that previously owned less than 10 percent of the Mortgagee's voting stock acquires additional voting stock resulting in ownership of 10 percent or more;
 - Limited Liability Companies must notify FHA of any change in Members; and
 - Partnerships must notify FHA of any change in Partners.
-

Principal Owners (cont.)

Required Documentation	Applicable to Non-Supervised or Investing Mortgagees			
	Supervised	Corporation	Limited Liability Company	Partnership
Cover Letter	•	•	•	•
Executed Purchase Agreement	•	•	•	•
State-issued approval	•	•	•	•
Organization Chart		•	•	•
Bylaws		•		
Articles of Incorporation		•		
Operating Agreement			•	
Articles of Organization			•	
Partnership Agreement				•
Resume		•	•	•
Personal Credit Report		•	•	•
Business Credit Report		•	•	•

Unresolved Findings/Sanctions

A Mortgagee must:

- Provide relevant documentation if it or any officer, partner, director, principal, manager, supervisor, loan processor, loan underwriter, or loan originator employed or retained by the Mortgagee is subject to any Unresolved Findings or Sanctions.
- Notify FHA of a change of status in any Unresolved Finding or Sanction previously reported.

Liquidity and Net Worth Deficiency

If at any time the Mortgagee falls below the net worth or liquidity requirements, the Mortgagee must report within 30 business days of the deficiency.

Required Documentation:

- Cover Letter
- Unaudited Financial Statements
- Corrective Action Plan

Submitting Additional Information

LEAP

Lender Electronic Assessment Portal

U.S. Department of Housing and Urban Development

Home Institution Branches Recertification History Requests Cash Flow Account Setup EFT Account Setup

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Notice Of Material Event History

#	Notice of Material Event Number	Notice of Material Event Type	Description	Event Date
1	1-157521668	Unresolved Findings/Sanctions	See attached	05/13/2016 00:00:00
2	1-156867058	Unresolved Findings/Sanctions	See attached statement from CEO	12/25/2016 00:00:00
3	1-288735632	Supervision Change	*****TEST - LEAP SIEBEL V19 UPGRDADE TEST - TO BE DELETED*****	07/18/2020 00:00:00
4	1-323299247	Fidelity Bond or E&O Insurance	This is a TEST	11/02/2021 00:00:00
5	1-255260278	Supervision Change	DR PHASE 2 TEST	08/18/2019 00:00:00
6	1-255785788	Business Form Change	DR TESTING PHASE 2.2	08/18/2019 00:00:00

Notice Of Material Event Details

Notice of Material Event Type: Fidelity Bond or E&O Insurance

Electronically submit written notification through this system on company letterhead, dated and signed by a senior officer with the FHA Lender ID Number and a point of contact for the lender, to the attention of the Division Director of the Lender Approval and Recertification Division.

If a Mortgagee loses its fidelity bond and/or errors and omissions insurance coverage it must obtain a new policy within 30 Days.

Status: Request Additional Information

Impact to Certification: N

OLA Comments:

Notice of Material Event Number:

* Event Date: 11/2/2021

* Additional Comments: This is a TEST

Attachments

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1-SCHFAZ	Resubmitting a Rejected Payment.pdf	
Attachment-0		Browse...

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Resources



Helpful Links

- LEAP User Manual
https://www.hud.gov/sites/dfiles/SFH/documents/SFH_LEAP_USER_MANUAL.pdf
- HUD's Lender Web Page
https://www.hud.gov/program_offices/housing/sfh/lender
- *Single Family Housing Policy Handbook 4000.1*
https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb
- HUD OIG Consolidated Audit Guide
<https://www.hudoig.gov/library/single-audit-guidance/hud-consolidated-audit-guide>

Resources

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.
FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/FHA_INFO_subscribe				

Q&A

Q&A Protocol

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- If viewing webinar through computer or smartphone, click *Raise Hand* icon. You will receive onscreen message to unmute yourself - click *Unmute Myself* button. When prompted by moderator, provide your name, company affiliation, then ask your question.

Option B: Standard telephone line

- To ask a question, press *9 to be placed in queue. Webinar moderator will unmute your phone and you will hear an automated voice message stating *You Are Unmuted*. When prompted by moderator, provide your name, company affiliation, then ask your question.

Thank you for joining us today!

