



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

January 12, 2004

**MORTGAGEE LETTER 2004-03**

**TO: ALL APPROVED MULTIFAMILY MORTGAGEES**

**SUBJECT:** Temporary Suspension of General Insurance and Special Risk Insurance Commitment Authority

This Mortgagee Letter informs you that the Department of Housing and Urban Development will temporarily cease issuing any commitments in accordance with the below listed procedures for multifamily mortgages that are to be insured under either the General Insurance (GI) Fund or the Special Risk Insurance (SRI) Fund. The Department's existing commitment authority for GI and SRI Fund loans, while it operates under the continuing resolution, will soon be exhausted.

Subject to availability of commitment authority, HUD will stop issuing GI and SRI Fund multifamily commitments on or before close of business January 14, 2004 until the enactment of supplemental commitment authority during the continuing resolution or new commitment authority becomes available by enactment of an appropriations bill for FY 2004. This directive applies to all multifamily and health care sections of the National Housing Act and the risk-sharing programs under the Housing and Community Development Act of 1992:

**Full Insurance-**

**Sections 207,207/223(f), 213,220,221(d)(3), 221(d)(4), 223(a)(7), 223(d), 231,232, 232/223(f), 234(d), 241(a), 242**

1. New Firm Commitments cannot be issued.
2. Expired Firm Commitments cannot be reopened.
3. Outstanding Firm Commitments cannot be amended to increase the mortgage amount.
4. FHA will continue to extend outstanding SAMA letters and Conditional and Firm Commitments.
5. FHA will continue to issue new, amend outstanding and reopen expired SAMA Letters, Conditional Commitments and MAP invitation letters, but the following language will must be added to such letters and commitments: "This SAMA Letter (or MAP invitation letter or Conditional Commitment) is further conditioned upon an increase by Congress in FHA's commitment limitation."
6. FHA will continue to initially and finally endorse project mortgages that had outstanding Firm Commitments issued, reissued or amended before the effective date of the

suspension.

**Housing Finance Agency Risk-Sharing (Section 542c)**

1. New Firm Approval letters cannot be issued.
2. Expired Firm Approval letters cannot be reopened.
3. Outstanding Firm Approval Letters cannot be amended to increase the mortgage amount.
4. FHA will continue to extend outstanding Firm Approval Letters.
5. FHA will continue to initially and finally endorse project mortgages that had outstanding firm approval letters issued before the effective date set forth above.

**GSE Risk-Sharing (Section 542(b))**

FHA will not execute addenda to risk-sharing agreements presented by the GSEs for reinsurance under this Section.

We appreciate your cooperation.

Sincerely,

John C. Weicher  
Assistant Secretary for Housing –  
FHA Commissioner