



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

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING - FEDERAL HOUSING COMMISSIONER

January 12, 2004

MORTGAGEE LETTER 2004-02

TO: ALL APPROVED MORTGAGEES

SUBJECT: Temporary Suspension of General Insurance and Special Risk Insurance
Endorsement Authority

This Mortgagee Letter informs you that the Department of Housing and Urban Development will temporarily cease endorsing any new single family 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 endorsing GI and SRI fund mortgages 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. The GI and SRI funds include, but are not limited to, Section 203(k) rehabilitation mortgages, Section 234(c) condominium unit mortgages, mortgages made pursuant to the Hawaiian Homelands program under Section 247 and reverse mortgages under HUD's Home Equity Conversion Mortgage (HECM) program (Section 255).

Mortgages to be insured as obligations of the Mutual Mortgage Insurance Fund (i.e., under Section 203(b) of the National Housing Act) are not subject to this temporary suspension.

Mortgagees may choose to hold the case binders or send them to the jurisdictional Homeownership Center. Case binders submitted for endorsement processing more than 60 days after mortgage closing must comply with the late request for endorsement requirements contained in Chapter 3 of HUD Handbook 4165.1 REV-1.

While HUD regrets this suspension of endorsement activity and any disruption to lender processing, it is made necessary by budgetary constraints.

If you have any questions regarding this Mortgage Letter, please contact your Homeownership Center in Atlanta (888) 696-4687; Denver (800) 543-9378; Philadelphia (800) 440-8647; or Santa Ana, CA (888) 827-5605.

Sincerely,

John C. Weicher
Assistant Secretary for Housing-
Federal Housing Commissioner