

# LENDERS UPDATE™

## ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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### **NEW FHA NEWSLETTER**

HUD has just put online the first edition of its new newsletter entitled “**Lender Insight**”. FHA’s goal is to offer insight to lenders on lender approval, recertification, monitoring and enforcements. FHA hopes that lenders will be able to improve Quality Control and Risk Management. It can be reviewed on FHA’s Single Family Housing Email list. If you are not on the list you can visit at <http://bit.ly/FHARCPage> .

A couple of highlights (and some lowlights) from this issue:

- ✚ Lender Electronic Assessment Portal (LEAP). FHA will convert from the Lender Assessment Sub-system (LASS), to a “more efficient” reporting system known as the Lender Electronic Assessment Portal (LEAP). The release date is scheduled for January 2014.
- ✚ Quarterly Loan Review Findings. Of 6,251 loans reviewed 19% were conforming, 37% deficient, and 44% unacceptable. The review presents the 5 main categories reviewed for these findings. It also presents common examples of file documentation issues.

- ✚ FHA policy changes. Policy changes such as new net worth requirements, new reporting requirements for small supervised institutions and consolidation of FHA lender IDs.
- ✚ A reminder of lender's duties. Reminders include the need to report fraud, material misrepresentations and other material findings through the Neighborhood Watch Early Warning System using the Lender Reporting feature.
- ✚ A summary of Enforcement. Finally, a summary of enforcement actions including the most common violations and actions taken.

This seems to be a very useful document for Quality Control and Compliance people.

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