

FORMAT - MORTGAGEE PROBATION LETTER

PURPOSE: Means of official notification from HUD to mortgagee that probationary sanctions are being applied.

PREPARED BY: Mortgagee Approval Specialist, for signature of decision maker.

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FORMAT

Registered/Certified Mail - Return Receipt Requested

TO: Mortgagee Name
Address
Ten Digit Mortgagee Number (I.D.)

The purpose of this letter is to inform you that the above noted mortgagee office has been placed in probation status in the Department's Direct Endorsement program.

As a result of the failure to underwrite mortgage loans in accordance with HUD underwriting policy, the probationary actions described below are being imposed against the office of your company noted above. The probationary action is effective as of your receipt of this letter. This action is taken pursuant to Title 24, Part 200.164(h) of the Code of Federal Regulations, as detailed in Paragraph 5-5 of the Single Family Direct Endorsement Program Handbook (HUD Handbook 4000.4).

(Provide grounds for action, including case numbers and deficiencies.)

(If probation involves the pre-closing review of cases, letter must provide for Direct Endorsement cases in process.)

This action does not affect your eligibility to submit applications for commitments to insure mortgages.

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