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CHAPTER 4. NOTIFICATIONS AND HEARINGS

- 4-1 Notice of Violation. At least 30 days before considering any matter where there is a possibility of a probation, suspension or withdrawal of approval, the Board will issue a written notice to the mortgagee or Title I lender that:
- A. Informs them the Board is considering an administrative action.
  - B. States the specific alleged violations.
  - C. Directs the mortgagee or lender to reply in writing to the Board within 30 days after receipt of the notice. Failure to reply may result in a determination by the Board without considering the mortgagee's or lender's comments.
  - D. The response must be addressed to the Chairperson, Mortgagee Review Board, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410.
  - E. The response may not exceed 15 double-spaced typewritten pages and must include an executive summary, a statement of the facts, an argument and a conclusion. A more lengthy submission which includes documents and other exhibits may be submitted to the Board's staff for review.
- 4-2 Notice of Administrative Action. When the Board takes an action to issue a Letter of Reprimand, place a mortgagee or Title I lender on probation, or to suspend or withdraw a mortgagee's or lender's HUD-FHA approval, it will notify the mortgagee or lender of the Board's determination. Except for a Letter of Reprimand, the notice will:
- A. State the nature and duration of the administrative action.
  - B. State the violations and any findings of the Board.
  - C. Inform the mortgagee or lender of its right to a hearing under the regulations set forth in 24 CFR Part 26.
  - D. The Board may issue a supplemental notice to either add or modify the reasons for the administrative action.
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- 4-3 Hearing and Hearing Request. Whenever the Board imposes a probation, suspension or withdrawal of approval, a mortgagee or lender may request a hearing before a designated HUD Hearing Officer.
- A. The hearing regarding the violations will be held within 30 days of receiving the request from the mortgagee.
  - B. A mortgagee or lender may voluntarily agree to have a hearing held more than 30 days after it makes a request for the hearing and it is received by the Department.
  - C. A request for a hearing must be addressed to: Docket Clerk, Mortgagee Review Board, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410.
  - D. If a hearing is held within the 30-day period of time, it will generally be held in Washington, D.C., unless undue hardship is otherwise shown by the mortgagee or lender.
  - E. After the mortgagee or lender has had a hearing, the Hearing Officer makes a written Determination. The Hearing Officer's Determination becomes final unless it is reversed or modified by the Secretary of HUD.
  - F. A Hearing Officer may not modify or otherwise disturb a Determination of the Board pending a final decision of a matter brought before the Hearing Officer.
  - G. In cases involving a probation, suspension, or withdrawal actions where a Hearing Officer makes a final Determination that there was no legal basis for the Board's decision to take administrative action, the Board's action will be stayed pending an appeal to the Secretary.
  - H. A mortgagee or lender may appeal a Determination or Order of a Hearing Officer to the Secretary or his or her designee.
    - 1) the Secretary or designee will issue a Determination within 15 days from receipt of the request either granting or denying the request.
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- 2) if the request is granted, the Secretary or designee will issue a written Determination within 45 days of receipt of briefs filed by the opposing parties.
- 4-4 Failure to Request a Hearing. If a mortgagee or lender does not request a hearing within 30 days of receiving the Board's notice of administrative action, the right to a hearing will be considered waived.
- 4-5 Publication in the Federal Register of Board Actions. The Board publishes in the Federal Register a description of, and the cause for, all administrative actions taken against mortgagees and Title I lenders.
- 4-6 Notification to Other Agencies of Board Actions. Whenever the Board takes an administrative action against a mortgagee or Title I lender, it provides notice of the action to other agencies as required by 24 CFR 25.11 and 25.14.