



November 18, 2014

Kathleen Zadareky
Deputy Assistant Secretary for Single Family Housing
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, D.C. 20410

Re: FHA Single-Family Housing Policy Handbook

Dear Deputy Assistant Secretary Zadareky:

The Mortgage Bankers Association (MBA)¹ applauds the Department of Housing and Urban Development (HUD) for its initiative to develop a new comprehensive Federal Housing Administration (FHA) Single-Family Housing Policy Handbook (Handbook) and to seek stakeholder input to ensure its accuracy and completeness. When it is complete, the Handbook should be the single, authoritative source for FHA's single-family policies.

HUD should be commended for committing the time and resources required to reconcile more than 900 Mortgagee Letters and other policy guidance into the new Handbook. However, we are concerned that without clear guidance on the many policy changes throughout the Handbook that lenders will be unable to effectively implement the Handbook by June 15, 2015. Asking lenders to review the Handbook for policy changes, program system changes, and provide training to staff at the same time they are preparing to implement the Truth in Lending Act (TILA) - Real Estate Settlement Procedures Act (RESPA) Integration Rule, is simply untenable. The TILA-RESPA Integration Rule constitutes a major shift for lenders and implementation of that rule is consuming nearly all the industry's capacity for change.

Requiring every FHA lender to conduct a document by document review of HUD's guidance materials for possible policy changes will result in great expense to lenders, costs that will ultimately be passed onto FHA borrowers. Moreover, resources expended in any review effort are resources that will not be available to ensure that more creditworthy borrowers have access to safe and sustainable FHA financing.

MBA strongly believes that HUD should issue a memorandum or other document which provides a clear and comprehensive list of changes between current policies and the policies

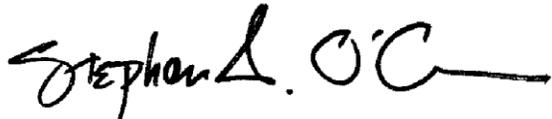
¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mba.org.

which will be implemented through the Handbook. MBA also urges that HUD outline which Mortgagee Letters (or portions thereof) as well as other guidance have been superseded by the Handbook. Such a document would be of great assistance to lenders – especially smaller community lenders without large compliance teams – and their vendor partners as they prepare for June 15, 2015.

Again, MBA greatly appreciate HUD's commitment to developing the Handbook and HUD's efforts to seek needed input. MBA looks forward to working with HUD to successfully implement the Handbook in the coming months.

Should you have questions or wish to discuss any aspect of this letter further, please contact Joe Gormley, Assistant Regulatory Counsel at (202) 557-2870 or jgormley@mba.org.

Sincerely,

A handwritten signature in black ink that reads "Stephen A. O'Connor". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Stephen A. O'Connor
Senior Vice President of Public Policy & Industry Relations
Mortgage Bankers Association