

Billing Code 4210-67

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5830-N-06]

60-Day Notice of Proposed Information Collection

**Legal Instructions Concerning Applications
for Full Insurance Benefits – Assignment of Multifamily Mortgages to the Secretary**

AGENCY: Office of the General Counsel, HUD.

ACTION: Notice.

SUMMARY: HUD is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act, HUD is requesting comment from all interested parties on the proposed collection of information. The purpose of this notice is to allow for 60 days of public comment.

DATES: Comments Due Date: **[Insert date 60 days after date of publication in the FEDERAL REGISTER.]**

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Nacheshia Foxx, Reports Liaison Officer, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500.

FOR FURTHER INFORMATION CONTACT: Millicent Potts, Assistant General Counsel for Multifamily Mortgage Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 9230, Washington, DC 20410-0500, telephone (202) 708-1274 (this is not a toll-free number) for a copy of the instructions.

SUPPLEMENTARY INFORMATION: The Department is submitting the proposed information collection to OMB for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended).

This notice is soliciting comments from members of the public and affected agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

This notice also lists the following information:

Title of Proposal: Legal Instructions Concerning Applications for Full Insurance Benefits – Assignment of Multifamily Mortgage to the Secretary.

OMB Control Number, if applicable: 2510-0006.

Description of the need for the information and proposed use: Mortgagees of HUD-insured mortgages may receive mortgage insurance benefits upon assignment of mortgages to HUD. In connection with the assignment, legal documents (e.g., mortgage, mortgage note, security agreement, title insurance policy) must be submitted to the Department. The instructions contained in the Legal Instructions Concerning Applications for Full Insurance Benefits – Assignment of Multifamily Mortgage describe the documents to be submitted and the procedures for submission.

The Legal Instructions Concerning Applications for Full Insurance Benefits – Assignment of Multifamily Mortgage, in its current form and structure, can be found at

<http://intraportal.hud.gov/hudportal/documents/huddoc?id=leginstrfullinsben.pdf>

HUD proposes to make the following revisions to this document:

Under Part B, Submissions of Legal Documents after Recordation of Assignment, HUD proposes to add a new paragraphs 12 and 13 to read as follows:

12. Flood Insurance. If all or part of the building(s) included within the project are in a Special Flood Hazard Area (SFHA), acceptable proof of flood insurance coverage. This can be either the original flood insurance policy covering the building(s), a copy of the Flood Insurance Application and premium payment, a copy of the declarations page, or evidence of flood insurance, comprising flood insurance coverage equal to the lesser of the insurable value of the building(s) or the maximum amount of coverage available for that type of property under the National Flood Insurance Program (“NFIP”) (see www.fema.gov/business/nfip/manual.shtm). The flood insurance should name the mortgagee and the Secretary of Housing and Urban Development of Washington, D.C., his/her successors and assigns as mortgagee and loss payee respectively. The flood insurance must be in effect at least through 11:59 p.m. on the date on which the assignment of mortgage is recorded. In addition, if the mortgagee submits evidence of flood insurance, the mortgagee must submit an affidavit that contains the following language and is otherwise acceptable to HUD:

[Insert name of the mortgagee] affirms under penalty of law that the [describe flood insurance policy by name of insurance company or producer and policy number] described in the [Evidence of Insurance or other document name, as applicable] is in full force and effect and names the Secretary of Housing and Urban Development, of Washington, D.C., his/her successors and assigns, 451 Seventh Street, SW, Room 9230, Washington, D.C. 20410-0500 as loss payee as of [insert the date of assignment].

The effective date of this endorsement and mortgagee’s affidavit, if applicable, should be the date the assignment of mortgage to the Secretary is filed for record. The

evidence of flood insurance is acceptable if it contains language to the effect that it is for informational purposes only and does not confer rights upon the holder of the policy only if accompanied by the mortgagee's affidavit. A Certificate of Insurance is not acceptable.

13. An assignment of the mortgagee's interest in the flood insurance policy should state the following:

The interest of _____, as the Mortgagee under Policy No. _____ issued by _____ is hereby assigned to the Secretary of Housing and Urban Development of Washington, D.C., his/her successors and assigns. Date: _____

Existing paragraphs 12 through 16 would be unchanged except for being redesignated paragraphs 14 through 18.

Agency form numbers, if applicable: N/A

Members of affected public: Mortgagees when applying for insurance benefits from HUD.

Estimation of the total numbers of hours needed to prepare the information collection including number of respondents, frequency of response, and hours of response:

Number of respondents	Burden hours	Frequency of response	Total burden Hours
359	26	1	9,334

Status of the proposed information collection: Extension of a currently approved collection.

AUTHORITY: The Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: September 3, 2015

Camille E. Acevedo,
Associate General Counsel for Regulations
and Legislation