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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5557-D-07]

**Delegations of Authority for the Office of Housing-Federal Housing Administration (FHA),
Redelegation of Authority to the Deputy Assistant Secretary for Risk Management and
Regulatory Affairs**

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Notice of redelegations of authority.

SUMMARY: Elsewhere in today's Federal Register, HUD is publishing a delegation of authority by the Secretary of HUD to the Assistant Secretary for Housing-Federal Housing Commissioner, the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner, and the Associate General Deputy Assistant Secretary for Housing. This notice redelegates certain authority delegated to the Assistant Secretary for Housing-Federal Housing Commissioner (and to the other officials noted above), to: the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Assessment, and the Administrator of the Office of Manufactured Housing Programs.

DATES: Effective Date: June 5, 2012 .

FOR FURTHER INFORMATION CONTACT: Office of the Associate General Deputy Assistant Secretary for Housing-Federal Housing Commissioner, Department of Housing and Urban Development, 451 Seventh Street SW, Room 9110, Washington, DC 20410-8000, phone number 202-708-2601. (This is not a toll-free number.) Persons with hearing or speech

impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:

The Office of the Assistant Secretary for Housing-Federal Housing Commissioner has undergone a reorganization since the issuance of a consolidated delegation of authority published in the Federal Register on October 12, 2006 (71 FR 60169). The reorganization created a new Office of Risk Management and Regulatory Affairs in July 2010 to address housing industry and consumer issues, as well as to provide a streamlined standardized response to help stabilize and monitor the housing market. The Office is described below. This notice redelegates authority to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Assessment, and the Administrator of the Office of Manufactured Housing Programs.

Note that the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, approved July 21, 2010) transferred from the Department of Housing and Urban Development to the new Consumer Financial Protection Bureau all functions of HUD to carry out the Real Estate Settlement Procedures Act (RESPA) of 1974, the Secure and Fair Enforcement (SAFE) for Mortgage Licensing Act of 2008, and the Interstate Land Sales (ILS) Full Disclosure Act; the effective transfer date was July 21, 2011. Today's Notice includes redelegations for functions authorized under these acts, given that HUD may continue to exercise residual responsibilities after that date.

Section I. Deputy Assistant Secretary for Risk Management and Regulatory Affairs

Organization

Three Offices report to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs: the Office of Risk Management, the Office of Evaluation, and the Office of Manufactured Housing Programs. The following is a brief summary of the functions of these offices.

A. Office of Risk Management

The Office of Risk Management (ORM) assures that the Office of Housing is equipped to identify and manage credit and operational risk across the enterprise and within each Office within the Office of Housing. As such, ORM works across the enterprise and with program office staff to develop and identify the requisite policies, systems, and resources needed to support the Office of Housing's broader goals of expanding affordable housing and access to health-care facilities while striving to maintain the respective FHA insurance funds at or above prudent thresholds. ORM deploys resources to monitor, evaluate and ensure that risk mandates are accomplished.

B. Office of Evaluation

The Office of Evaluation assesses the financial impact of new or revised HUD/FHA programs and policies; new or proposed legislation; and/or new or proposed directives, studies or rules of the Office of Management and Budget (OMB), the Government Accountability Office (GAO) the Department of the Treasury (Treasury), or other agencies. The Office of Evaluation is responsible for actuarial analyses and cash-flow projections of the FHA insurance funds and evaluates relationships between current market conditions and FHA program goals and objectives. The Office of Evaluation estimates the financial impact of policy changes or external factors on FHA programs. In addition, that Office conducts a quarterly analyses of economic developments and ongoing actuarial analyses of FHA's insurance funds.

C. Office of Manufactured Housing Programs.

The Office of Manufactured Housing Programs regulates the design and construction of all manufactured housing in the United States and is responsible for ensuring that serious defects and imminent safety hazards noted in manufactured housing are tracked and corrected, pursuant to the National Manufactured Housing Construction and Safety Standards Act. That Office is responsible for, among other things, the administration of the Manufactured Housing Consensus Committee, a federal advisory committee; regulation and enforcement of the design and construction of manufactured homes according to Federal standards; the installation of manufactured homes according to the Model Installation Standards; the administration of the installation program; and the administration of the manufactured housing dispute resolution program.

In addition, the Office of Manufactured Housing Programs prescribes standards for design, construction, and alteration of structures for programs under the National Housing Act; approves or disapproves variances from the design and construction standards; evaluates and determines the technical suitability of housing products/materials; and issues engineering and technical bulletins governing the acceptability of housing system components, materials, and methods of contraction.

Section II. Risk Management – Authority Redelegated

A. General Authority

Authority is redelegated, in broad terms, to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, and the Associate Deputy Assistant Secretary for Risk Management and Assessment to carry out, in concert with program offices, all risk management,

analysis, and evaluation functions, including decisions and corrective measures related to risk assessment, risk management strategy, and risk governance policies.

B. Risk Management

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs, Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, and the Associate Deputy Assistant Secretary for Risk Management and Assessment are re-delegated authority to take all actions necessary to conduct risk management and risk assessment activities including, but not limited to, the authority necessary to:

(1) Recommend actions to support FHA's ability to reduce risk exposure to its insurance funds while meeting its housing mission and operating in compliance with statutory capital requirements;

(2) Promote transparency and comprehensive communication of FHA's risk profile by establishing reporting metrics for key constituents, both internal and external, in order to communicate, both qualitatively and quantitatively, FHA's risk levels, trends, priorities, risk mitigation activities, and impacts;

(3) Identify the policies and processes that are key drivers of risk via a structured risk identification framework: i.e., recommend risk mitigation strategies for FHA and specific program areas and provide independent oversight and assessment of risk remediation activities; provide input and guidance to program areas on key risk analytics, policies and practices, including, but not limited, to algorithms and underwriting used to identify, measure, and manage risk-related to endorsement and management of Single Family, Multifamily, and Healthcare programs, and collaborate with program areas regarding counterparty risk (lenders and

servicers), portfolio asset management strategies, and enforcement practices to protect FHA's insurance funds;

(4) Design and maintain a comprehensive Risk Governance infrastructure, including implementing policies, processes, and committees to reduce risk exposure to the insurance funds; i.e., advise and provide oversight for the implementation of policies, processes, and committees that comprise the governance structure;

(5) Ensure the timely and proper conduct of statutorily mandated and other necessary risk analyses, including the annual actuarial study of the Mortgage Mutual Insurance Fund and front-end risk assessments (FERA) for new and high-impact programs and activities, in accordance with federal standards, and in concert with other Office of Housing offices; and

(6) Ensure that risks are measured, monitored, and managed according to an integrated framework across FHA and Office of Housing program areas.

Section III. Regulatory Affairs – Authority Redelegated

A. General Authority

Authority is redelegated in broad terms to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, and the Administrator of the Office of Manufactured Housing Programs to carry out the functions and activities of the National Manufactured Housing Construction and Safety Standards Act of 1974. This redelegated authority includes that related to carrying out certain provisions of the National Housing Act. In addition, authority is redelegated in broad terms to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs and the Associate Deputy Assistant Secretary for Risk Management and Assessment to perform any residual functions of the Real Estate Settlement Procedures Act, the

Interstate Land Sales Full Disclosure Act, and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

B. Manufactured Housing Construction and Safety Standards Act

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, and the Administrator of the Office of Manufactured Housing Programs are redelegated such authority as is necessary to carry out the duties and responsibilities of HUD as prescribed in the National Manufactured Housing Construction and Safety Standards Act (the Act), including, but not limited to, the authority necessary to:

(1) Establish home constructions and safety standards; enter into contracts with an administering organization; adopt, revise, and interpret construction and safety standards; issue interpretative bulletins; and approve or reject proposed regulations or interpretative bulletins submitted by the Consensus Committee;

(2) Develop and establish model manufactured home installation standards;

(3) Submit cost or other information to the consensus committee for evaluation;

(4) Conduct research, testing, development, and training to carry out the Act;

(5) Advise, assist, and cooperate with other Federal agencies, and state and other public and private agencies in the planning and development of standards and methods for inspection and testing;

(6) Determine that any manufactured home does not conform to applicable Federal standards or contains a defect that constitutes an imminent safety hazard;

(7) Conduct inspections and investigations necessary to promulgate or enforce Federal standards under the Act; designate persons to enter an establishment to inspect; contract with

state and local governments and private inspection organizations to carry out the functions under section 614 of the Act; to hold hearings, take testimony, and administer oaths and take other actions under section 614(c) of the Act;

(8) Enforce notification and correction of defects;

(9) Develop guidelines for a consumer's manual;

(10) Utilize the services, research, and testing facilities of public agencies and independent testing laboratories;

(11) Collect reasonable fees to carry out the responsibilities under the Act;

(12) Approve State plans for enforcement of standards;

(13) Establish and implement a dispute resolution program; and

(14) Make grants to States that have designated a State agency under section 623 of the Act.

C. National Housing Act Provisions

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs and the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs are redelegated such authority as is necessary to carry out certain duties and responsibilities prescribed in the National Housing Act (the NHA Act) (12 U.S.C. 1701 et seq.), as follows:

(1) Prescribe standards for designs, construction, and alteration of structures for programs (other than public housing programs) prescribed under the NHA Act;

(2) Approve or disapprove variances from the design or construction standards for all programs (other than public housing programs) under the NHA Act; and

(3) Evaluate and determine the technical suitability of housing products and materials under section 21 of the NHA Act, and to issue engineering and technical bulletins governing the acceptability of housing system components, materials, and methods of construction.

D. Real Estate Settlement Procedures Act (RESPA)

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs and the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs are redelegated such authority as is necessary to carry out any residual duties and responsibilities of HUD as remain, following the transfer of the Real Estate Settlement Procedures Act (RESPA) to the Consumer Financial Protection Bureau (CFPB).

E. Interstate Land Sales Full Disclosure Act

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs and the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs are redelegated such authority as is necessary to carry out any residual duties and responsibilities of HUD as remain after transfer of the Interstate Land Sales Full Disclosure Act to the CFPB.

F. Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE)

The Deputy Assistant Secretary for Risk Management and Regulatory Affairs and the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs are redelegated such authority as is necessary to carry out any residual duties and responsibilities of HUD, as prescribed in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, to the CFPB.

Section IV. Authority Excepted

The authority redelegated herein does not include the authority to:

- (1) issue or to waive regulations;

(2) sue or be sued.

Section V. Further Redelegations

The authority redelegated by the Assistant Secretary for Housing to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Assessment, and the Administrator of the Office of Manufactured Housing Programs may be redelegated.

Section VI. Revocation of Delegations

The Assistant Secretary for Housing-Federal Housing Commissioner, the General Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner, or the Associate General Deputy Assistant Secretary for Housing may, at any time, revoke any of the authority redelegated herein. Notice of any revocation will be published in the Federal Register. This redelegation of authority supersedes all prior redelegations of authority to the Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Regulatory Affairs, the Associate Deputy Assistant Secretary for Risk Management and Assessment, and the Administrator of the Office of Manufactured Housing Programs.

Authority: Section 7(d), Department of Housing and Urban Development Act, 42
U.S.C. 3535(d).

Dated June 5, 2012

Carol J. Galante
Acting Assistant Secretary for Housing-
Federal Housing Commissioner

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