

## § 200.1500

(b) The mandatory deductions described in 24 CFR 5.611(a) also apply to the rent supplement contracts described in paragraph (a) of this section in lieu of the deductions provided in the definition of “adjusted income” in 24 CFR 215.1 (as contained in the April 1, 1995 edition of 24 CFR, parts 200 to 219).

(c) The definition of “persons with disabilities” in paragraph (c) of this section replaces the terms “disabled person” and “handicapped person” used in the regulations in 24 CFR part 215, subpart A (as contained in the April 1, 1995 edition of 24 CFR, parts 200 to 219). *Person with disabilities*, as used in this part, has the same meaning as provided in 24 CFR 891.305.

[66 FR 6224, Jan. 19, 2001]

## Subpart Y—Multifamily Accelerated Processing (MAP): MAP Lender Quality Assurance Enforcement

SOURCE: 70 FR 43242, July 26, 2005, unless otherwise noted.

### § 200.1500 Sanctions against a MAP lender.

(a) In addition to any other legal remedy available to HUD, HUD may take the following actions with respect to a MAP lender:

- (1) Warning letter;
- (2) Probation;
- (3) Suspension;
- (4) Termination;
- (5) Limited Denial of Participation (LDP);
- (6) Referral to the Mortgagee Review Board; and
- (7) Referral to the Office of Inspector General.

(b) The actions listed in paragraphs (a)(1) through (a)(4) of this section are carried out in accordance with the requirements of this subpart. An LDP is a sanction applied in accordance with subpart J of 2 CFR part 2424 to participants in loan transactions other than FHA-insured lenders. The Mortgagee Review Board procedures are found at 24 CFR part 25.

[70 FR 43242, July 26, 2005, as amended at 72 FR 73494, Dec. 27, 2007]

## 24 CFR Ch. II (4–1–12 Edition)

### § 200.1505 Warning letter.

(a) *In general.* HUD may issue a warning letter, which specifies problems or violations identified by HUD, to a MAP lender.

(b) *Effect of warning letter.* The warning letter:

- (1) Does not suspend a lender’s MAP privileges;
- (2) May impose a higher level of review of the lender’s underwriting by HUD;
- (3) May direct the taking of a corrective action; and
- (4) May require a meeting in a designated HUD office with the principal owners or officers, or both, of the MAP lender to discuss the specified problems and violations, and possible corrective actions.

(c) *Relationship to other sanctions.* The issuance of a warning letter is not subject to the MAP Lender Review Board procedures in accordance with § 200.1535, and is not a prerequisite to the probation, or suspension, or termination of MAP privileges.

### § 200.1510 Probation.

(a) *In general.* Only the MAP Lender Review Board (or Board) may place a lender on probation, in accordance with the procedures of § 200.1535.

(b) *Effect of probation.* (1) Probation is intended to be corrective in nature and not punitive. As a result, release from probation is conditioned upon the lender meeting a specific requirement or requirements, such as replacement of a staff member. A lender’s failure to take prompt corrective action after being placed on probation may be the basis for a recommendation of either suspension or termination. Any such recommendation shall, when possible, go to a MAP Lender Review Board composed of the same members who issued the original probation.

(2) During the probation period, a MAP lender:

- (i) Shall be removed from the MAP-Approved Lender list posted on HUD’s website;
- (ii) May not submit, and HUD may not accept, materials after the close of business of the date of the probation letter for a new application under MAP for multifamily mortgage insurance from HUD; and