

that the Board or the Secretary determines to be so serious as to justify an administrative sanction.

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[57 FR 31051, July 13, 1992; 57 FR 37085, Aug. 18, 1992, as amended at 57 FR 58339, Dec. 9, 1992; 60 FR 13836, Mar. 14, 1995; 60 FR 39238, Aug. 1, 1995; 61 FR 685, Jan. 9, 1996; 62 FR 20081, Apr. 24, 1997; 69 FR 43509, July 20, 2004; 72 FR 73492, Dec. 27, 2007. Redesignated and amended at 73 FR 60541, Oct. 10, 2008; 77 FR 51467, Aug. 24, 2012]

§ 25.7 Notice of violation.

(a) *General.* The Chairperson of the Board, or the Chairperson's designee, shall issue a written notice to the mortgagee at the mortgagee's address of record at least 30 days prior to taking any action under 12 U.S.C. 1708(c) against the mortgagee. Proof of delivery to the mortgagee's address of record shall establish the mortgagee's receipt of the notice. The notice shall state the specific violations that have been alleged, and shall direct the mortgagee to reply in writing to the Board within 30 days after receipt of the notice by the mortgagee. The notice shall also provide the address to which the response shall be sent. If the mortgagee fails to reply during such time period, the Board may make a determination without considering any comments of the mortgagee.

(b) *Mortgagee's response.* The mortgagee's response to the Board shall be in a format prescribed by the Secretary and shall not exceed 15 double-spaced typewritten pages. The response shall include an executive summary, a statement of the facts surrounding the matter, an argument, and a conclusion. Such response shall also address the factors listed in § 25.8. A more lengthy submission, including documents and other exhibits, may be simultaneously submitted to Board staff for review.

(c) *Exception for letter of reprimand.* Whenever information comes before the Board that discloses a basis for the issuance of a letter of reprimand, the Board may issue the letter without having previously issued a notice of violation.

(d) *Exception for immediate suspension.* If the Board determines that there exists adequate evidence that immediate

action is required to protect the financial interests of the Department or the public, the Board may take a suspension action without having previously issued a notice of violation.

[73 FR 60541, Oct. 10, 2008]

§ 25.8 Factors considered in taking administrative action.

In determining which administrative action under 12 U.S.C. 1708(c), if any, should be taken, the Board will consider, among other factors, the seriousness and extent of the violations, the degree of mortgagee responsibility for the occurrences, and any other mitigating or aggravating facts. Where the Board is considering a withdrawal action, the Board will also consider whether the violations were egregious or willful, in order to determine whether a permanent withdrawal is mandated by 12 U.S.C. 1708(c).

[73 FR 60541, Oct. 10, 2008]

§ 25.9 Notice of administrative action.

(a) Whenever the Board decides to take an action in accordance with 12 U.S.C. 1708(c)(3), the Chairperson of the Board, or the Chairperson's designee, shall issue a written notice of the action to the mortgagee at the mortgagee's address of record of the determination. Proof of delivery to the mortgagee's address of record shall establish the mortgagee's receipt of the notice.

(b) In actions for probation, suspension, or withdrawal, the notice shall describe the nature and duration of the administrative action, and shall specifically state the reasons for the action. In actions for probation, suspension, or withdrawal, the notice shall inform the mortgagee of its right to a hearing regarding the administrative action and of the manner and time in which to request a hearing.

[73 FR 60541, Oct. 10, 2008]

§ 25.10 Hearings and hearing request.

(a) *Hearing request.* A mortgagee subject to any administrative action under 12 U.S.C. 1708(c), except for a letter of reprimand, may request a hearing, which shall be held on the record before an administrative law judge. The mortgagee shall submit its request for