



8584 Katy Freeway, Suite 420

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

Partners

Thomas E. Black, Jr.¹

Gregory S. Graham²

Shawn P. Black³

Regina M. Uhl⁴ ‡

Senior Lawyers

David F. Dulock

Diane M. Gleason

Associates

Peter B. Idziak³

Daniel S. Engle³

Nick Stevens

Syndy Davis

Margaret Noles

Of Counsel

David M. Tritter

Calvin C. Mann, Jr.

Retired Partner(s)

Calvin C. Mann, Jr.

¹ Also Licensed in Iowa, New York, and Washington

² Also Licensed in Georgia

³ Also Licensed in New York

⁴ Also Licensed in Kentucky and Illinois

‡ Board Certified- Residential Real Estate Law- Texas Board of Legal Specialization

August 16, 2019

To: Clients and Friends

From: David F. Dulock

Subject: FHA Rescinds ML 19-06 Requirements for Down Payment Assistance by Government Entities

On April 18, 2019, HUD issued Mortgagee Letter 19-06, ([click here](#)) setting forth new documentation requirements for down payment assistance to borrowers provided by government entities for FHA insured mortgage loans, effective for case numbers assigned on or after April 18, 2019 (see memorandum on Mortgagee Letter 19-06 posted on the firm's website at: <https://www.bmandg.com/resources/>).

On April 25, 2019, HUD extended the effective date of Mortgagee Letter 19-06 to case numbers assigned on or after July 23, 2019, by issuing Mortgagee Letter 19-07.

On July 23, 2019, HUD suspended the effective date of Mortgagee Letter 2019-06 until further notice.

On August 13, 2019, finally came to its senses and rescinded Mortgagee Letters 2019-06, 2019-07 and 2019-10 effective immediately by issuing Mortgagee Letter 2019-12 – see attached.

This Memorandum is provided as general information in regard to the subject matter covered, but no representations or warranty of the accuracy or reliability of the content of this information are made or implied. Opinions expressed in this memorandum are those of the author alone. In publishing this information, neither the author nor the law firm of Black, Mann & Graham L.L.P. is engaged in rendering legal services. While this information concerns legal and regulatory matters, it is not legal advice and its use creates no attorney-client relationship or any other basis for reliance on the information. Readers should not place reliance on this information alone, but should seek independent legal advice regarding the law applicable to matters of interest or concern to them. The law firm of Black, Mann & Graham L.L.P. expressly disclaims any obligation to keep the content of this information current or free of errors.

Attachment: Text of Mortgagee Letter 2019-12

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: August 13, 2019

Mortgagee Letter: 2019-12

To: All FHA-approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Rescission of Mortgagee Letters 2019-06, *Downpayment Assistance and Operating in a Governmental Capacity*; 2019-07, *Extension of the Effective Date of Mortgagee Letter 2019-06, Downpayment Assistance and Operating in a Governmental Capacity*; and 2019-10, *Suspension of the Effective Date of Mortgagee Letter 2019-06, Downpayment Assistance and Operating in a Governmental Capacity*.

Purpose This Mortgagee Letter rescinds Mortgagee Letter 2019-06, *Downpayment Assistance and Operating in a Governmental Capacity*; Mortgagee Letter 2019-07, which extended the effective date for guidance provided in Mortgagee Letter 2019-06; and Mortgagee Letter 2019-10, which suspended the effective date of Mortgagee Letter 2019-06.

Effective Date The rescission of ML 2019-06 is effective immediately.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send any feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Continued on next page

Mortgagee Letter 2019-12

Summary of Changes

This Mortgagee Letter rescinds ML 2019-06, *Down Payment Assistance and Operating in a Governmental Capacity*. Accordingly, the extension of the effective date for ML 2019-06, which was announced in a follow-up Mortgagee Letter 2019-07, and the suspension of the effective date for ML 2019-06, which was announced in Mortgagee Letter 2019-10, are also rescinded.

Paperwork Reduction Act

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a currently valid OMB control number.

Questions

For additional information on this ML, please visit www.hud.gov/answers or call FHA's Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

Signature

John L. Garvin
General Deputy Assistant Secretary for Housing