

2014 Annual Convention
Hilton Riverside/ New Orleans
Friday, November 7, 2014

Hello North Dakota State Board of Directors and REALTOR® Members,

This was my last Federal Financing and Housing Policy Committee meeting and it was a very good and educational meeting which is very usual for this committee. Julie DeLorenzo is our Chair and she called the meeting to order, we approved May's minutes from our DC meeting and moved right into our guest speaker. Tony Hernandez, who is the new Administrator for Rural Housing spoke to us about the significant delays in some states with the processing of rural housing loans. Each state has an allotted amount of money, which I didn't know and as of November, none of the states have used their money up but several states are months behind in the processing of rural home loans. They have and are hiring more people to help expedite the process. In the meantime, no loans will be accepted after November 24th until after December 1, 2014. After December 1 the processing is going to be changed and will be effectively streamlined according to Tony Hernandez.

He was quite entertaining and provided a lot of humor to the meeting. He left each one of us with his business card and his cell number and we were encouraged to call him with problems or questions.

We got an FHA date on the property flipping waiver that has been in place for a number of years. Sad to say, FHA announced they would not be extending single family properties that are being resold within 90 days of the previous acquisition. In response to this disappointing news, Steve Brown our NAR President sent a letter to FHA commissioner, Carol Galante, urging FHA to reconsider extending the waiver. FHA also issued a Mortgagee Letter clarifying its short sale dual gently stance saying that if a contract is submitted by a dual agent and meets all current pre foreclosure sales guidelines, including the required marketing period, then a 6% commission will be paid.....the sales contract also must yield the highest net return to HUD.

FHA's annual report is due the end of this month. This report will show the current and future health of the FHA reserve fund. FHA has not reached the statutory requirement of keeping a 2% excess reserve ratio for a while now and that's why all the premium hikes and different qualifiers have changed the face of the FHA mortgage. FHA has been significantly below this cap for the past several years, and we are hopeful they will be approaching it based on this report.

HAWK-The HAWK program is a counseling pilot to be implemented in early 2015, providing pricing incentives to First Time Homebuyers who participate in the program. NAR supports this program but also urged that HUD reduce premiums for all borrowers.

HUD is close to finalizing a February 2012 notice proposing reduced closing costs a seller can pay on behalf of a buyer. They want a seller to pay no more than 3% of a buyers closing costs and no more than 6000 dollars.

NAR recommended allowing higher seller concessions and that Homeowner Association fees not be prohibited in the final rule.

Over the past 2 years FHA has been selling off some seriously delinquent loans in loan pools to investors. FHA requires that the investors work for 6 months to modify the loans before the loan can fall into foreclosure. NAR members have expressed concern about this program because some investors are not working to modify these loans but are allowing them to fall into foreclosure and then turning the properties into rentals. NAR is working with HUD on this issue.

HUD is measuring lenders with their compare ratios...this is devised to help lenders loosen credit overlays and end the fear of back-end enforcement
Actions by FHA.

FHA is consolidating more than 900 mortgage letters and other policy guidance into a single document for all single family programs. Our committee has been providing input on this process and NAR has also provided input on the Origination thru Post Closing, appraisals, servicing and the 203K program. We will be updated as more portions get published. The FHA Condo working group has been put out to pasture until FHA gets the condo rules significantly updated. NAR will continue to push for easing of condo rules and regs for financing.

VA is working on a rule to provide more flexibility on the payment of fees and services by veterans. It is expected to surface in 2015.

Before close of meeting we were congratulated as a committee for reaching 100% of the RPAC challenge. Seth Task, Our Vice Chair made many phone calls to help the committee achieve this goal.

These meetings are always so informative and full of education from HUD, VA and Rural Housing. I have enjoyed serving on this committee for the last several years and have gained a much broader understanding of what each government agency faces and what and where we need to be as the National Association of Realtors and as. Members of the North Dakota Association of Realtors. We are quite an influential force and need to be out front protecting our buyers and sellers and above all.....the land.

I want to thank you all for being my support system and allowing me to represent the great state of North Dakota at these meetings, and just to let you know, that is how I've introduced myself at these committee meetings...Sharon Howie Lunski , a REALTOR® from the great state of North Dakota.

Thanks again for the privilege.
Sharon