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Description of document:	Department Of Housing and Urban Development (HUD) Office of Housing Lender Qualification and Monitoring Division (LQMD) Internal Desk Guide, 2014
Requested date:	09-January-2017
Appeal date:	27-August-2019
Release date:	07-August-2019
Appeal Response date:	25-September-2019
Posted date:	09-September-2019
Update posted:	04-November-2019
Source of document:	FOIA Request U.S. Department of Housing and Urban Development Freedom of Information Act Office 451 7th Street, SW, Room 10139 Washington, DC 20410-3000 Fax: (202) 619-8365

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

OFFICE OF ADMINISTRATION

August 7, 2019

RE: Freedom of Information Act Request
FOIA Control No.: 17-FI-HQ-00626

This letter is in response to your Freedom of Information Act (FOIA) request dated January 9, 2017. Your request was received in the Department of Housing and Urban Development's FOIA Branch on February 8, 2017. You requested the Multifamily Lender Qualification and Monitoring Division's (LQMD) Internal Desk Guide.

Your request is granted in part at no cost to you. Enclosed are the documents pertaining to Chapters 1 and 2 of the LQMD Internal Desk Guide. I am withholding Chapters 3,4,5 and the Appendices pursuant to Exemption 7(E) of the FOIA. Exemption 7(E) affords protection to all law enforcement information that would disclose techniques and procedures for law enforcement investigations or prosecutions or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.

I am the official responsible for this determination based on information provided by the Department's Office of the Executive Secretariat. You may appeal this determination within 90 days from the date of this letter. If you decide to appeal, your appeal should include a copy of your original FOIA request, this response letter, as well as a summary of the reasons supporting the appeal.

The envelope should be plainly marked to indicate that it contains a FOIA appeal and addressed to:

U.S. Department of Housing and Urban Development
Attn: FOIA Appeals
Office of Ethics and Appeals Law Division
Office of General Counsel
451 7th St., SW, Suite 2130
Washington, DC 20410

Telephone: (202) 708-3815

You may also submit your appeal online at:

https://www.hud.gov/programs_offices/administration/foia/foiaappeals

In addition, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:


Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, MD 20740-6001

Telephone: 202-741-5770
Toll free at 1-877-684-6448
FAX: 202-741-5769
Email: ogis@nara.gov

For your information, your FOIA request, including your identity and any information made available, is releasable to the public under subsequent FOIA requests. In responding to these requests, the Department does not release personal information, such as home address, telephone number, or Social Security number, all of which are protected from disclosure under FOIA Exemption 6.

If you have questions regarding your request, please contact Ms. Shelby Glover at (202) 402-2673 or email at shelby.l.glover@hud.gov. Thank you for your interest in the Department's programs and policies.

Sincerely yours,


for

Deborah R. Snowden
Deputy Chief FOIA Officer
FOIA Branch
Office of Executive Secretariat

Enclosure

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF HOUSING

LENDER QUALIFICATION AND MONITORING DIVISION



INTERNAL DESK GUIDE

January 9, 2014

LQMD INTERNAL DESK GUIDE

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LQMD INTERNAL DESK GUIDE

CHAPTER 1. INTRODUCTION AND PURPOSE

1-1 The Purpose of this Desk Guide is to provide day-to-day operating guidance to Lender Qualifications and Monitoring Division (LQMD) staff and management. It outlines the procedures to be used by HUD staff analysts in performing monitoring reviews of Lenders and specific MAP loans. It is not a "clearance" document, and will be revised as appropriate by the Director of LQMD.

- a. BACKGROUND: The U.S. Department of Housing and Urban Development (HUD) published the first version of the Multifamily Accelerated Processing (MAP) Guide on May 17, 2000. MAP procedures are designed to standardize and expedite the FHA multifamily insurance application process by delegating due diligence and underwriting responsibilities to approved multifamily Lenders. HUD must ensure that Lenders who have been granted MAP privileges, along with their employees and contractors, meet qualifications requirements and that loans processed under MAP procedures comply with FHA underwriting standards. HUD staff review Lender submissions and rely on their underwriting to make decisions whether or not to insure mortgages on specific transactions. \
- b. ,
- c. .

1-2 DUTIES: Specifically, LQMD will:

1. Recommend awarding MAP and LEAN privileges to Lenders, which will include approving the Lender's underwriter(s) and construction loan administrator(s);
2. Monitor the approved lenders for continued participation in the programs, including QC Plan review, Annual Certification and Underwriter Tracking, Quality Control reviews and follow up;
3. Perform the approval and monitoring function for the Office of Insured Healthcare for LEAN lenders, subject to assistance and guidance as established by that office.
4. Work with HUD Field Office staff, the Office of Risk Management (ORM), and other Headquarters staff to provide technical support and communicate observations about performance of the FHA platform; and
5. Review early claims, and other insured loans (e.g. performing Multifamily or Healthcare loans in which concerns have been raised, or on a sampling basis) originated by participating lenders for compliance with FHA underwriting standards;
6. Manage the list of approved MAP lenders and authorized signators on the Department's website; and
7. Assist the Office of Housing with periodic underwriting training on MAP processing.
8. Assist the Office of Insured Healthcare (OIH) with Lender and Underwriter approval as directed.

LQMD INTERNAL DESK GUIDE

9. Assist the Office of Insured Healthcare (OIH) with monitoring of the LEAN program as directed.
10. LQMD will assist with asset management functions as requested.
11. LQMD will act as liaison with Single Family FHA Lender Activities and Recertification, Office of Inspector General (IG), The Department Enforcement Center (DEC), the Department of Justice (DOJ), and the Mortgagee Review Board (MRB).
12. LQMD will recommend and act as Multifamily Housing's representative for enforcement actions against lenders and third party contractors, to include actions referred to the Mortgagee Review Board
- 1-3 RISK SHARE MONITORING: LQMD may also be requested to conduct reviews of FHA's Risk Sharing program to ensure that the State Housing Finance Agencies (HFA's) are adequately carrying out their responsibilities pursuant to their risk sharing agreements.
- 1-4 FIELD OFFICE REVIEW: LQMD may also conduct reviews of loans underwritten and insured by HUD staff to ensure the Field Offices are adequately carrying out their responsibilities.
- 1-5 PERIODIC REVIEW OF PROCEDURES: LQMD will review and modify its procedures as necessary.

LQMD INTERNAL DESK GUIDE

CHAPTER 2. ORGANIZATION AND ADMINISTRATION OF LENDER QUALIFICATIONS AND MONITORING DIVISION

2-1. OVERVIEW

- A. The Lender Qualifications and Monitoring Division (LQMD) is based in Headquarters under the Office of Asset Management. LQMD reports to the Director, Office of Asset Management (AM).
- B. All LQMD staff, including out-stationed personnel, will report to the Director, LQMD.

2-2. ADMINISTRATION

- A. The Director will be the rating official for EPPES purposes for LQMD staff, regardless of duty location.
- B. The reviewing official will be the Director, or Deputy or Director, Office of Multifamily Development.
- C. The Director, LQMD, approves all travel related to LQMD activities.
 - 1. Travel funds for LQMD will be administered from Headquarters.
 - 2. Each LQMD team member is responsible for making his/her transportation and lodging arrangements when organizing LQMD reviews.
- D. The HUD Field Office in which an out stationed LQMD analyst is based will provide administrative support. The LQMD analyst will advise the Director of LQMD of any problems.
- E. When necessary and/or appropriate, the Director, LQMD, will intervene with senior HUD field office officials on behalf of LQMD staff with regard to administrative and logistical concerns.
- F. Correspondence.
 - 1. LQMD prepares all correspondence related to MAP Lender Approval and MAP Lender Monitoring, however, the correspondence is approved and signed by the Director of OMD.
 - 2. Correspondence received by the field staff will be sent to Headquarters.
 - 3. Headquarters will maintain a chronological file of all correspondence. Copies of all finalized correspondence will be made available to field-staff.
 - 4. Correspondence prepared by LQMD for the Office of Insured Healthcare (OIH) should be routed through the Directors LQMD and OMD for concurrence.
- G. Electronic transmission of data and assignments is encouraged to the fullest extent possible.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-0500

OFFICE OF GENERAL COUNSEL

SEP 25 2019

RE: Freedom of Information Act Appeal
FOIA Control No: 17-FI-HQ-00626
FOIA Appeal No: 19-A-HQ-00057

This letter responds to your Freedom of Information Act ("FOIA") appeal, which we received on August 27, 2019. In the initial request sent on January 9, 2017, you requested a copy of the Multifamily Lender Qualifications and Monitoring Division's (LQMD) Internal Desk Guide. On November 27, 2017, you received a letter denying your request in full pursuant to the third prong of FOIA Exemption 4. On December 2, 2017, you appealed the initial decision. On January 10, 2018, our office sent you a determination remanding your first appeal to the FOIA office for further processing. On August 7, 2019, you received a letter from the FOIA office, in response to your appeal being remanded, granting your initial request in part. However, Chapters 3, 4, 5, and all Appendices were withheld pursuant to FOIA Exemption 7(E). You are now appealing the decision from the August 7, 2019 letter. After review, we find that your appeal is denied.

In your appeal, you state that you believe the chapters of the LQMD that were withheld include segregable releasable portions that could be released without foreseeable harm and may not be exempt under the exemption cited. After consulting with the program office that utilizes the guide and having them review the withheld chapters again, they have concluded that release of any portion of Chapters 3, 4, 5, and the appendices will negatively impact how the office processes and enforces actions associated with HUD approved lenders. Exemption 7(E) was previously applied to withhold these documents and our office has determined that it was appropriately applied. Exemption 7(E) protects from disclosure records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law. 5 U.S.C. § 552(b)(7)(E). In this case, if these documents are released, it could provide an advantage to HUD lenders by allowing them to know how the Department reviews and monitors them, and in turn, allow them to potentially circumvent the law. Therefore, for the foregoing reasons, your appeal is denied.

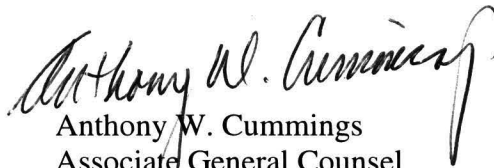
The 2007 FOIA amendments created the Office of Government Information Services (OGIS) to offer mediation services to resolve disputes between FOIA requesters and Federal

agencies as a non-exclusive alternative to litigation. Using OGIS services does not affect your right to pursue litigation. You may contact OGIS in any of the following ways:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road - OGIS
College Park, MD 20740-6001
E-mail: ogis@nara.gov
Web: <https://ogis.archives.gov>
Telephone: 202-741-5770
Fax: 202-741-5769
Toll-free: 1-877-684-6448

Judicial review of this determination under 5 U.S.C. § 552(a)(4) is available in the United States Court for the judicial district in which you reside or have your principal place of business, in the District of Columbia, or in the judicial district where the records you seek are located.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony W. Cummings", with a stylized flourish at the end.

Anthony W. Cummings
Associate General Counsel
Office of Ethics, Appeals, and Personnel Law

cc: Jozetta Robinson, Executive Secretary
John Shumway, Assistant General Counsel, Administrative Law Division