



THE REVIEWER AND MORTGAGE UNDERWRITER

Third Quarter News Updates – 2010

Official publication of the National Association of Review Appraisers and Mortgage Underwriters.

News from HUD - www.hud.gov

July 26, 2010

FHA'S MORTGAGEE REVIEW BOARD TAKES ACTION AGAINST HUNDREDS OF LENDERS

WASHINGTON – The Federal Housing Administration's Mortgagee Review Board (MRB) today published a notice in the Federal Register to announce dozens of administrative actions against FHA–approved lenders who failed to meet its requirements. This year alone, the MRB took nearly 1,500 administrative sanctions against lenders, including reprimands, probations, suspensions, withdrawals of approval, and civil money penalties.

"Lenders should know by now that FHA will not tolerate fraudulent or predatory lending practices," said FHA Commissioner David Stevens. "Any FHA–approved lender that does business with us must follow our standards. If we determine that our partners are not playing by the rules, we will take action – it's that simple."

FHA's **Mortgagee Review Board** sanctions FHA–approved lenders for violations of the agency's program requirements. For serious violations, the Board can withdraw a lender's FHA approval so that the lender cannot participate in FHA programs. In less serious cases, the Board enters into settlement agreements with lenders to bring them into compliance. The Board can also impose civil money penalties, probation, suspension, and issue letters of reprimand.

For a full listing of the actions taken by the Board, visit [HUD's website](http://www.hud.gov).

OBAMA ADMINISTRATION HOUSING SCORECARD SHOWS CONTINUED INCREASE IN HOME AFFORDABILITY, NEIGHBORHOOD STABILIZATION, BUT CHALLENGES REMAIN

July report on nation's housing market includes new measures of affordability and tracks, for the first time, impact of the \$6 billion NSP investment in hardest hit communities

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury today released the second edition of the Administration's Housing **Scorecard** showing that, thanks in part to interest rates continuing at all-time lows, home affordability in the U.S. remains near the most attractive levels in 10 years. In addition, for the first time, the report now tracks the impact of HUD's Neighborhood Stabilization Program (NSP), which has spurred local investment and is beginning to make

INSIDE

- Obama Administration Housing Scorecard.pg 1*
- FHA Announces Enhanced Risk Management for Lenders and Underwriters.....pg 5*
- News from the Conference of State Bank Supervisors.....pg9*

affordably-priced homes available to consumers. The Housing Scorecard is the Administration's comprehensive report on the nation's housing market.

"The housing market is performing better than the predictions made over a year ago," said HUD Assistant Secretary Raphael Bostic. "We're absolutely not claiming victory, but due to the Obama Administration's efforts, improved home affordability is continuing to provide opportunities for prospective, qualified, homebuyers, while promising neighborhood stabilization efforts are helping hard hit neighborhoods start to recover."

"The Administration's programs to stabilize the housing market have helped many across the country weather this crisis," said Treasury Assistant Secretary Herb Allison. "Our initiatives continue to offer responsible homeowners the chance to avoid the often painful process of foreclosure."

The July Housing Scorecard features key data on the health of the housing market including:


- **Historic low rates continue to promote affordability:** Families continue to benefit from the lowest rates in history on 30-year fixed mortgages. Since April of 2009, record low rates have helped more than 7.2 million homeowners to refinance, resulting in more stable home prices and *\$12.9 billion in total borrower savings*.
- **Over twice as many homeowners helped compared to foreclosure completions:** Nearly three million borrowers have received restructured mortgages since April 2009, outpacing the 1.24 million foreclosure completions for the same period. As more families are able to remain in their homes, household assets continue to rise with *\$1.1 trillion in home equity gained since April 2009*.
- **Tracking the impact of HUD's Neighborhood Stabilization Program,** a \$6 billion effort – including \$2 billion in Recovery Act funds – that is helping local jurisdictions address the foreclosure crisis by allowing grantees to acquire foreclosed homes and repair, redevelop, rent or sell them to low and moderate income households.
- **Home Affordable Modification Program (HAMP) permanent modifications are on pace and sustainable for the homeowner, as more than 50,000 trial agreements graduated to permanent in June and default rates remain low:** Growth in permanent modifications have averaged more than 50,000 per month over the last six months. For HAMP permanent modifications in place six months, less than 6 percent are 60+ days delinquent, and the default rate (90+ days delinquent) is less than 2 percent.
- **New HAMP Metrics for Servicer Compliance:** This month, the report includes a new dashboard to help officials monitor homeowner experience. This dashboard includes timetables for full implementation of the Home Affordable Foreclosures Alternative Program (HAFA) and the Second Lien Modification Program (2MP). New measures include time to answer incoming calls, time to resolve complaints and outcomes for homeowners not eligible for a HAMP modification or unable to convert to a permanent modification. While cancellations remain high as many borrowers who received temporary modifications were not able to meet eligibility requirements such as verifying their income or successfully making trial payments, servicers report that close to 50 percent of homeowners not offered a HAMP permanent modification are offered a proprietary modification or are able to bring

their loan current. Fewer than 2 percent have gone to foreclosure sale and fewer than 10 percent have entered the foreclosure process.

Meanwhile, data in the scorecard show that the recovery of the housing market remains fragile, with some measures suggesting recovery will take place over time. For example, in May, sales of new and existing sales dropped after the expiration of the tax credit, and the supply of homes on and off the market remains near all-time highs; it will take time to work through this large inventory.

Issued monthly by HUD and Treasury, the Housing Scorecard incorporates key housing market indicators and highlights the impact of the Administration's unprecedented housing recovery efforts, including assistance to homeowners through the Federal Housing Administration (FHA) and HAMP.

Complete Housing Scorecard available at:
www.hud.gov/scorecard



THE REVIEWER AND MORTGAGE UNDERWRITER
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Wednesday
July 7, 2010

FHA ANNOUNCES ENHANCED RISK MANAGEMENT AND INCREASED OVERSIGHT OF MULTIFAMILY LENDERS AND UNDERWRITERS

Changes to underwriting criteria, higher standards for lenders and underwriters, and an improved monitoring system part of enhanced FHA Multifamily Insurance Program

WASHINGTON – As part of the Federal Housing Administration's (FHA) ongoing efforts to enhance risk management practices, Commissioner David H. Stevens today announced plans to implement a series of changes to the multifamily insurance programs that will update underwriting policies, increase lender and underwriter quality, and align loan application, submission and approval standards. FHA's Multifamily Program Office consulted with stakeholders to bring these changes to market.

The policy changes announced today by **Mortgage Letter 2010-21** will affect all multifamily rental programs and include the following:

- **Revised underwriting standards** to raise debt service coverage ratios, lower loan to value and loan to cost ratios, increase project reserves and sponsor equity investment, and limit sponsor cash out. Underwriting ratios will be targeted to different property types based on their risk profiles, with lower ratios for subsidized affordable housing properties and higher ratios for market rate properties.
- **Enhanced verification of property financial performance** to decrease opportunities for misrepresentation and fraud.

- **Expanded borrower mortgage credit analysis** to include a detailed review of contingent liabilities and ballooning term debt that could undermine a sponsor's financial stability.
- **Pre-screening of proposals** for early identification of transactions that are not feasible or are not likely to proceed to a commitment, allowing staff to focus on a deeper analysis of transactions that will close.

"These are the first updates to our underwriting standards since the inception of FHA's multifamily programs – some of which are over 40 years old," said U.S. Department of Housing and Urban Development Deputy Assistant Secretary Carol Galante. "These policy changes reflect many of the lending industry's best practices and standards that have evolved in the multifamily market."

"Today's changes are a much needed step to insure that FHA multifamily programs are sound. These program updates will help us to continue serving our mission of providing liquidity to the multifamily market and decent, affordable rental housing to our nation's communities," said Commissioner Stevens.

In addition to the changes outlined in today's mortgagee letter, FHA's multifamily programs will be pursuing additional steps to update agency standards and align the programs with the Obama Administration's broader goals for financial oversight.

Program Changes Expected Through Additional Mortgagee Letters by December 2010:

Heightened standards for lender and underwriter qualifications

All new and existing multifamily lenders and underwriters will undergo an additional screening process to insure that they are qualified and experienced before receiving approval to participate in specialty insurance programs. Under the new policy, a separate approval will be required to offer the agency's more complex insurance programs, such as those for new construction, substantial rehabilitation and Low Income Housing Tax Credits. Results from the Multifamily Accelerated Processing (MAP) program show that these programs demand skilled lenders and underwriters with specialized knowledge. The existing system grants blanket approval to offer the full range of FHA programs without regard to specialized expertise. We anticipate these lender and underwriter qualifications to become effective in Fall 2010.

Update to the Multifamily Accelerated Processing underwriting guide

Originally published in 2000, this underwriting guide establishes all underwriting and processing requirements for the MAP program. The guide will be updated and revised to incorporate all Mortgagee Letters, Housing Notices, and administrative guidance that have been issued since it was first published, along with new chapters on affordable housing underwriting and environmental requirements, and expanded chapters on market studies, commercial income and mortgage credit analysis. HUD is currently revising the MAP Guide to reflect these changes in underwriting standards and will publish the Guide by the end of the calendar year.

Standardization of underwriter's narrative and application file contents

To assure critical analysis of the risks of proposed transactions by MAP underwriters, a standard underwriter's narrative will be used for applications submitted under all insurance programs. Currently, each lender uses its own narrative which leads to uneven and sometimes inadequate analysis of transaction risks. The new policy

will also require that a standard table of contents be used to organize application submissions – a simple step toward ensuring consistent and complete presentation of the underwriting materials and to facilitate efficient review of the application package by HUD staff. We anticipate that lenders will be required to use these new forms in Fall 2010.

Loan committee

A new loan committee approval process will align Hub and Program Center commitment authority and practice to ensure consistency in underwriting throughout the regional offices, as well as to provide a platform to share best practices. Loan committees at the Hub and National levels will provide oversight for most transactions in the multifamily insurance program, depending on loan size and a project's number of units. These reviews by the Hub and National loan committees are targeted to commence by the end of July.

Changes Being Pursued by Rule Making Process

Multifamily Credit Watch

In an effort to better align lending practices across FHA programs, an objective, point-based system modeled on that used in the single family program will track multifamily lender performance, material violations of FHA underwriting standards and the rate of loan defaults and claims paid. The current lender monitoring system identifies lender violations but fails to define associated penalties. Under the new monitoring system, each lender's underwriting and loan performance will be compared to that of all other lenders in the MAP program. Based on that review, lenders may be placed on probation, suspended or could have their approval terminated. The new system will enhance FHA's ability to discover and take timely action against lenders that pose unnecessary and unmanageable risk to the insurance fund. It is anticipated that the Multifamily Credit Watch system will be published as a proposed Rule for comment in late summer with final publication scheduled by the end of the calendar year.

In addition to the multifamily program changes announced today, the FHA's overall risk management functions have been strengthened through a number of policy changes made over the last year. The agency's new Chief Risk Officer oversees the coordination of FHA's efforts to focus risk management in a single division devoted solely to managing and mitigating risk to the FHA insurance fund – across all FHA programs. As announced in September 2009, changes to FHA's credit policy focused on ensuring responsible lending and risk management for FHA-approved lenders by ensuring that lenders are adequately capitalized and have a long-term interest in the performance of the loans they originate.

Thursday
July 1, 2010

HUD RELEASES 2009 AMERICAN HOUSING SURVEY

U.S. homes today are bigger with more bedrooms and bathrooms than 1973

WASHINGTON – Most families with young children live within a mile of a public elementary school. The most common home heating fuel in the U.S. is gas. Only a third of American homes have a working carbon monoxide detector. These are just some of the findings of a comprehensive national sample of the more than 130 million residential housing units released today by the U.S. Department of Housing and Urban Development.

HUD's **2009 American Housing Survey (AHS)** is the most thorough look inside the homes of millions of Americans and reveals everything from the square footage of the unit to how many homes have front porches, garages or even usable fireplaces. First conducted in 1973, the survey's long-term design allows analysts to trace the characteristics of U.S. housing units and their occupants. For example, the 2009 survey reveals that significantly more American homes are larger and have more bedrooms and bathrooms than homes 37 years ago. In addition, homes of 1973 were significantly less likely to have central air conditioning and other amenities considered commonplace today.

"This important survey provides us a clear picture of the American home and its occupants," said Dr. Raphael Bostic, HUD's Assistant Secretary for Policy Development and Research. "The housing crisis makes clear the need for continued collection of high quality housing data to help us understand housing markets. The numbers behind this survey not only provide valuable information on the composition of our housing stock, but they also help us monitor the mortgage markets, measure worst-case housing needs, and inform our policy choices."

The 2009 AHS includes enhanced data for five metropolitan areas: Chicago, Detroit, Philadelphia, New York and Northern New Jersey. For the first time ever, the AHS also includes data on disability status of household members. The new AHS also includes two independent metropolitan surveys of New Orleans and Seattle. Last conducted in 2004, the New Orleans survey in particular will provide an in-depth progress report of the redevelopment of the metro area following the hurricanes of 2005.

There are 130,112,000 residential housing units in the U.S.; 86 percent of these are occupied. The median age of 'the American home' is 36 years, though the survey finds that homes newly constructed since the 2007 AHS are generally larger, more expensive, have more bedrooms and bathrooms, and are more likely to include amenities such as central air conditioning. Some of the other key findings of the 2009 AHS include: 68 percent of U.S. homes are owner-occupied; 51 percent are located in suburban areas; 29 percent in central cities; and 20 percent outside metropolitan areas; and 18 percent are located in the Northeast; 23 percent in the Midwest; 37 percent in the South; and 22 percent in the West.

Unit Size

- The median size of an occupied home is 1,800 square feet (compared to 1,610 in 1985, the earliest year this information was collected), with owner-occupied units being larger than renter-occupied ones. Newer Homes are also usually larger, with median size of 2,300 square feet.
- Median lot size for single-family homes, including mobile homes, is 0.27 acres (compared to .36 acres in 1973) with owner-occupied units generally having more land than renter-occupied ones.

Rooms

- Most homes (53 percent) have six or more rooms, with owner-occupied units generally having more rooms than renter-occupied ones. In 1973, only 39 percent of homes had six or more rooms. Newly constructed homes generally have more rooms – 65 percent have six or more rooms.
- Most homes have three or more bedrooms (64 percent compared to just 48 percent in 1973). New homes generally have more bedrooms – 80 percent of them have three or more bedrooms.
- More than half of U.S. homes (51 percent) have two or more bathrooms compared to just 19 percent in 1973. Again new units have more bathrooms, with 89 percent of them having two or more bathrooms.

Equipment

- All units have a refrigerator and kitchen sink and almost all homes (99 percent) have a cooking stove or range. Overall 98 percent of units have a full kitchen.
- The most commonly used cooking fuel is electricity (60 percent) followed by piped gas (35 percent).
- Two-thirds of the homes (66 percent) have a dishwasher, 51 percent have a disposal in the kitchen sink and three percent have a trash compactor. New units are more likely to have these amenities.
- More than eight in ten homes have a washing machine (84 percent) and clothes dryer (81 percent).
- About two-thirds of U.S. homes (65 percent) have central air-conditioning and another 21 percent have window units - new units are more likely to have central air-conditioning (89 percent). By contrast, only 17 percent of U.S. homes had central A/C in 1973 although 30 percent contained window units.
- About nine in 10 homes (93 percent) reported a smoke detector while 36 percent reported having a working carbon monoxide detector.

Heating

- About two-thirds of U.S. homes use warm-air furnace for heating; 12 percent use an electric heat pump; and 11 percent use steam or hot water system.
- The most commonly used home heating fuel is piped gas (51 percent) followed by electricity (34 percent), though new units are more likely to use electricity.

Plumbing

- Almost all units (99 percent) have complete plumbing facilities.
- The most commonly used fuel for heating water is piped gas followed by electricity.
- More than eight in ten units (88 percent) receive water from a public system or private company, and the remaining units received water from wells.
- More than nine in ten households rated their water as being safe.
- Eight in ten units use the public sewage disposal system and 20 percent use a septic tank, cesspool or chemical toilet.

Amenities

- Most homes have a telephone (98 percent), porch, deck, balcony or patio (85 percent) and a garage or carport (66 percent).
- About half (48 percent) have a separate dining room and three in ten units (30 percent) report two or more living rooms or recreation rooms.
- About one-third (35 percent) have a usable fireplace.
- New construction is more likely to have all these amenities.

Neighborhood

- 95 percent of units are located close to a grocery or drug store, and 97 percent of residents with access were satisfied with the stores near them.
- Slightly more than half of U.S. homes (54 percent) are located near public transportation, with about seven in ten of the residents (71 percent) living in these units saying that they live within a 10 minute

walk to such transportation. However, just 17 percent of households living near public transportation report using it for commuting or school.

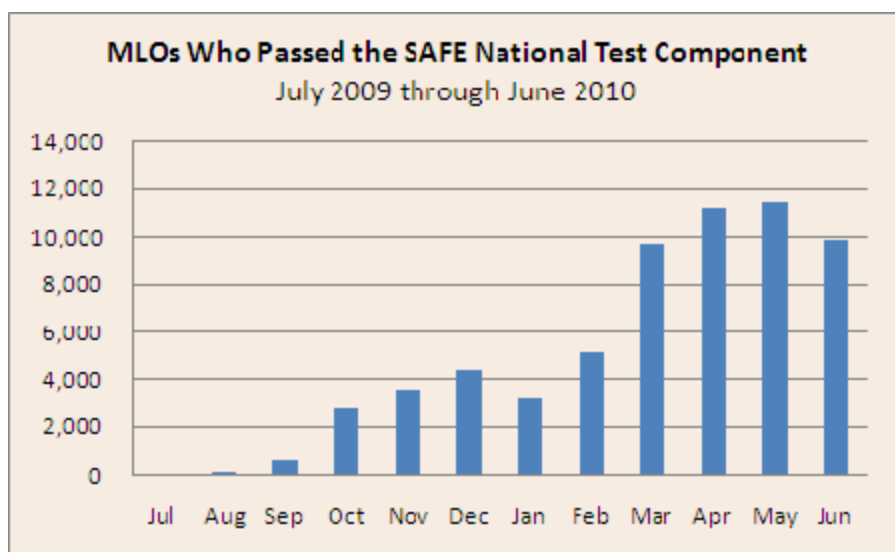
- Most communities (90 percent) do not have secured entrances, though new construction is more likely to be in secured communities. Residents, overall, were satisfied with police protection in their communities (91 percent).
- Most residents reported that their neighborhoods did not have vandalized buildings (88 percent), barred windows (84 percent), and trash, litter or junk (89 percent). However, 40 percent of residents said that their streets needed repairs.
- Nearly half the households (45 percent) had access to community amenities such as a community center or clubhouse, trails, golf, daycare, shuttle bus or private beach or park area.
- Noise from traffic was a problem reported by almost one-quarter of residents (23 percent), though fewer resident of new construction found this to be a problem (15 percent).
- Six in ten households with children under the age of 14 years (60 percent) said that there was a public elementary school within one mile of their homes.
- Less than one in ten households with someone 55 years or older (7 percent) reported living in an age-restricted community.

News from Nationwide Mortgage Licensing System

<http://mortgage.nationwidelicingsystem.org>

SAFE Compliance Reminder –Tens of thousands of MLOs yet to pass test

NMLS estimates that at least 135,000 MLOs will be state licensed through NMLS by the end of year. However, to date only about 64,000 individuals have passed the National Component of the SAFE MLO Test. MLOs who do not pass the national and state test components before their state deadline risk having their license terminated.



If you haven't taken your test, schedule it now to avoid the last minute rush. Also, don't forget that if you do not pass a test on the first try, you will need to wait 30 days before you can attempt to retake that test component.

(71% of individuals pass the National Component on their first try.) For more information see the [NMLS Testing Page](#).

News from the FDIC – www.fdic.gov.

Joint Press Release

**Office of the Comptroller of the
Currency
Board of Governors of the Federal
Reserve System
Federal Deposit Insurance
Corporation
Office of Thrift Supervision
Farm Credit Administration
National Credit Union
Administration**

Federal Agencies Issue Final Rules to Implement S.A.F.E. Act Requirements for Registration of Mortgage Loan Originators

July 28, 2010

FOR IMMEDIATE RELEASE

Federal agencies issued final rules today requiring residential mortgage loan originators who are employees of national and state banks, savings associations, Farm Credit System institutions, credit unions, and certain of their subsidiaries (agency-regulated institutions) to meet the registration requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act). The final rules are being issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Farm Credit Administration, and National Credit Union Administration (the agencies).

The S.A.F.E. Act requires residential mortgage loan originators who are employees of agency-regulated institutions to be registered with the Nationwide Mortgage Licensing System and Registry (registry). The registry is a database created by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators to support the licensing of mortgage loan originators by the states. As part of this registration process, residential mortgage loan originators must furnish to the registry information and fingerprints for background checks. The S.A.F.E. Act generally prohibits employees of agency-regulated institutions from originating residential mortgage loans unless they register with the registry.

The agencies' final rules establish the registration requirements for residential mortgage loan originators employed by agency-regulated institutions and requirements for these institutions, including the adoption of policies and procedures to ensure compliance with the S.A.F.E. Act and final rules. As required by the S.A.F.E. Act, the final rules also require that each residential mortgage loan originator obtain a unique identifier through the registry that will remain with that residential mortgage loan originator, regardless of changes in

employment. This will enable consumers to easily access employment and other background information about registered mortgage loan originators from the registry. Under the final rules, registered mortgage loan originators and agency-regulated institutions must provide these unique identifiers to consumers.

The final rules take effect on October 1, 2010. The agencies anticipate that the registry could begin accepting federal registrations as early as January 28, 2011. Employees of agency-regulated institutions must not register until the agencies instruct them to do so. The agencies will provide an advance announcement of the date when the registry will begin accepting federal registrations, and agency-regulated institutions and their applicable employees will have 180 days from that date to comply with the initial registration requirements.

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Attachment: [The *Federal Register* notice and final rules are attached – PDF.](#) (PDF Help)

News From The Wall Street Journal By Kathleen Madigan July 26, 2010

Uncertainty has become the mantra of this economic cycle.

Federal Reserve Chairman **Ben Bernanke** told Congress last week he didn't know how strong an impact uncertainty had on the economy. Treasury Secretary **Timothy Geithner** mentioned it on the Sunday morning talk shows.

The challenge is that policy makers may not be able to do much about removing uncertainty. Economists worry that this unique recession and the squabbling in Washington may be making the future less clear than during similar stages of past recoveries.

Indeed, exactly what role uncertainty plays in business decisions is hard to gauge. The long-held notion is that executives take a "wait-and-see" stance in the face of uncertainty. Former Fed chief **Alan Greenspan** once said that the inability to understand external events "almost invariably induces fear and, hence, disengagement from an activity, whether it be entering a dark room or taking positions in markets."

That assumption may be wrong, according to research done by **Ruediger Bachmann** of the **University of Michigan**, **Eric Sims** of the **University of Notre Dame**, and **Steffen Elstner** of the **University of Munich**. **Their research, published on the National Bureau of Economic Research website**, found no evidence that changes in uncertainty cause a wait-and-see effect, defined as a large decline in economic activity when uncertainty hits followed later by fast rebounds.

The economists used the Philadelphia Fed's manufacturing survey since 1968 and the German Ifo business sentiment survey since 1980 and calculated uncertainty in various ways. One of them was based on the assumption that if actual production deviated from expectations then executives would be more uncertain about what the future held. The more reality diverged from expectations, the higher the level of uncertainty.

They then compared the measure of uncertainty to overall industrial production and to manufacturing employment. The economists concluded that the results showed the presence of uncertainty doesn't cause a wait-and-see response that triggers declines in production and employment.

Instead, like layoffs, uncertainty may be another byproduct of a weakening economy.

"Changes in uncertainty may themselves be the result of the business cycle and not the cause of recession," says Bachmann. As the paper says, "There is an intrinsic uncertainty due to recessions, because business structures and practices have to be rearranged."

One conclusion from the paper is that policy makers can talk about the need to end uncertainty all they want, but jaw-boning won't make much difference. Only increased demand will make business executives feel more confident.

In addition, Bachmann cautions that uncertainty in this business cycle may be more acute because of the recession's unique properties, such as the housing collapse and financial meltdown. It is too early in the recovery to tell, he says.

The research dealt with economic uncertainty. But another unknown today is how the uncertainty of new regulations and tax policy may be influencing business decisions.

"We need to study more the impact of political and regulatory uncertainty on business activity," Bachmann says.

Michael Moran, chief economist at **Daiwa Capital Markets**, suggests Washington is a question mark for business investment.

"Uncertainties regarding the costs of health care under the new structure approved by Congress, along with potential increases in taxes and limits on carbon emissions, are probably restraining corporate investment," he says.

That presents a challenge for the economy. Given the fighting along the Potomac as politicians approach the midterm elections, political uncertainty is unlikely to ease soon.

News from National Association of Home Builders – www.nahb.org

NARAMU Welcomes New Staff Members!

Lisa Slam – Membership
Services Manager

Loretta Moss – Member
Services Coordinator

Rod Jackson –
Membership Sales

July 19, 2010 - Builder confidence in the market for newly built, single-family homes declined for a second consecutive month in July to its lowest level since April of 2009, according to the National Association of Home Builders/Wells Fargo Housing Market Index (HMI) released today. The HMI fell two points from a downwardly revised number in the previous month to 14 for July.

"We continue to see a lull in home buying activity following the expiration of the federal home buyer tax credit program, as many of the sales that would have occurred this summer were likely pulled forward to meet that program's deadline," noted NAHB Chairman Bob Jones, a home builder from Bloomfield Hills, Mich. "In addition, builders are reporting continuing consumer hesitancy regarding home purchases due to uncertainty in the overall economy and job markets."

"This month's lower HMI reflects a number of underlying market conditions that builders are seeing, including hesitant home buyers, tight consumer credit, and continuing competition from foreclosed and distressed properties that are priced below the cost of construction," said NAHB Chief Economist David Crowe. "The pause in sales following expiration of the home buyer tax

credits is turning out to be longer than anticipated due to the sluggish pace of improvement in the rest of the economy. That said, we do believe that favorable factors such as low mortgage rates, affordable prices, and demographic trends will help revive consumer demand for new homes this year, and that new-home sales will improve by 10 percent in 2010 from 2009."

Derived from a monthly survey that NAHB has been conducting for more than 20 years, the NAHB/Wells Fargo Housing Market Index gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

Each of the HMI's component indexes recorded declines in July. The component gauging current sales conditions fell two points to 15, while the component gauging sales expectations in the next six months edged down one point to 21 and the component gauging traffic of prospective buyers fell three points to 10.

Regionally, the HMI results were mixed in July. The Northeast, which has a smaller survey sample and therefore is prone to greater monthly volatility, posted a seven-point increase to 23 this month, while the Midwest posted a one-point improvement to 15. The South and West each posted five-point declines to 14 and 9, respectively.

Editor's Note: The NAHB/Wells Fargo Housing Market Index is strictly the product of NAHB Economics, and is not seen or influenced by any outside party prior to being released to the public. HMI tables can be accessed online at: www.nahb.org/hmi. More information on housing statistics is also available at: www.housingeconomics.com.

News From the Parent Company.

Environmental Service Professionals, Inc. Receives a \$200 Million Dollar Letter of Credit to Support Its Pending Loan From a Private Equity Lender

Aug. 5, 2010 (PR Newswire) --

PALM SPRINGS, Calif. -- **Environmental Service Professionals, Inc. ("ESP")** (Pink Sheets: EVSP), an innovator in environmental home inspections, announced today that the Company has received a \$200 million letter of credit from Metropolitan Financial Holdings, which will be pledged to secure a loan in that amount expected to be made to Environmental Service Professionals, Inc. by a private equity lender. An 8K regarding the letter of Credit was filed on July 30, 2010. The net proceeds from the loan are expected to be in the amount of \$150.5 million.

The expected funds will be used to launch the Company's **Healthy Home Mortgage Program** to provide mortgage bankers with a 10-year comprehensive, annual inspection program and a fully certified national

standard to mitigate risk and maintain equity across their entire portfolio – establishing ESP as the first National Residential Inspection Company in the United States. ESP's program consolidates protocols for energy, moisture mold and other indoor air quality programs to allow one inspector to inspect a home on several different protocol levels at the same time, reducing the cost for consumers and stakeholders alike.

The annual inspection program assures that health, structural and energy issues are caught early, minimizing repair costs, mitigating risk and maintaining equity for the insurance, mortgage banking, building, real estate, and property management industries. Inspected homes receive the **Healthy Green Living Certification** seal, showing they have met comprehensive national health, structural and energy standards.

Moreover, the program is designed to create needed local jobs that have a potential minimum life span of 10 years and cannot be outsourced. In addition, the program expects to train and hire over 50,000 Veterans as inspectors and over 10,000 Disable Veterans as Customer Service Representatives to support the inspectors and customers of the program.

ESP's Chairman and CEO, Edward L. Torres, said, "With this investment, we are poised to launch the Healthy Home Mortgage program and ensure a healthier environment for every home and work place. We have been developing this program over several years and have earned the cooperation of government agencies, major corporations and insurance companies. Our goal is to provide the Healthy Green Living Certification for every home in America – creating affordable, environmentally safe and efficient homes for hard-working American families and generating meaningful jobs for thousands of veterans."

Metropolitan Financial Holdings Business Manager, Randall Kohl, said, "We are excited about the business relationship with Environmental Service Professionals and recognize that this is a profound opportunity to create jobs for both Veterans and Disabled Veterans, in addition to establishing a platform for environmentally safe homes across the Country. We are confident that ESP is on the cutting edge of technology, infrastructure and has a road-map that they have been working for over two years to implement. This plan will help to solve many of the problems facing our great nation and our Veterans."

About Environmental Service Professionals, Inc.

ESP (EVSP.PK) offers various inspection services that include energy/efficiency audits addressing mold and moisture intrusion that can have an acute and chronic negative impact on the indoor air quality of commercial and residential buildings. The first company in the moisture inspection industry vertical to become a publicly traded company, ESP has embarked on a strategy to acquire businesses dealing with environmental issues and resolving environmentally sensitive problems. It has completed four acquisitions and is in various stages of discussion with additional companies that management believes are a good philosophical, operational and economic fit with ESP. For additional information, please visit: www.evsp.com

ESP, through its various wholly owned subsidiaries, has developed a standardized training, certification, inspection, and results reporting analysis program, which forms the foundation for the Company's "suite of services." These services taken together comprise the Certified Environmental Home Inspector™ ("CEHI") program. This program is available to active duty U.S. military and veterans and will meet all required Veterans Affairs requirements. Our Safeguard business unit will provide the EcoCheck Inspection™ as part of the pro-active comprehensive subscription based annual maintenance process called the Healthy Living Maintenance Program™ ("HLMP"), part of ESP's Healthy Home Mortgage Program™ (HHMP). Every 12 months a new EcoCheck Inspection™ is conducted. The HLMP is an all inclusive multi-disciplined inspection process focused on adding value to a property by reducing liabilities and mitigating risks for the insurance, mortgage banking, building, real estate, and property management industries by reducing claims, instilling

confidence in property safety and efficiency while promoting a positive green image to both residential and commercial clients.

Visit <http://www.evsp.com> for complete information on the ESP family of services offered and investment information.

Forward-Looking Statements *This document contains forward-looking statements that are subject to a number of risks, assumptions and uncertainties that could cause the Company's actual results to differ materially from those projected. These risks, assumptions and uncertainties include: the ability of the Company to raise capital, the ability to compete effectively in a rapidly evolving and price-competitive marketplace, changes in the environmental sector and changes in business strategy, as well as other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission. See www.SEC.gov for additional information about the company.*

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SOURCE Environmental Service Professionals, Inc.

Source: PR Newswire (August 5, 2010 - 7:00 AM EDT)

News by QuoteMedia



NARAMU Welcomes New Members. *The following individuals have recently applied and been accepted for professional membership in the Association. The National Association of Review Appraisers and Mortgage Underwriters welcomes these new members.*

Mr. Scott McFadden, CRA, RMU. Owner, MortgageBanc, LLC. Birmingham, Alabama

Mr. Dale W. Peterson, CRA. Certified Review Appraiser/Owner, Dale W. Peterson. Burlington, Wisconsin.

Mr. Daniel Brizuela, CRA. President/Chief Appraiser, Daniel Brizuela Appraisals. Miami, Florida

Mr. Norman T. (Thomas) Jones, CRA. Review Appraiser/Principal Owner Tom Jones & Associates. Blue Mound, Illinois.

Mr. Kevin Mullikin, CRA. Vice President, Four Corners Community Bank. Cortez, Colorado.

Mr. Farhan Zeejah, CRA. Review Appraiser, FHN Realty & Appraisal. Baldwin, New York.

Ms. Jane Lea Tillinghast, CRA, CVC. Collateral Assessment Supervisor, U.S. Bank. Cincinnati, Ohio.

Ms. Virginia G. Lord, CRA. Sr. Vice President, Valuation Management Group. Marietta, Georgia.

Mr. Benjamin M. Levine, Associate. Managing Director, Certified Mortgage Audit. New York, New York.

Mr. Dale D. Jakins, NARAMU Advisor. Human Resources Specialist, W.J. Bradley Mortgage Capital Corp. South Jordan, Utah.

Mr. Glen J. Kemp, CRA. Certified Review Appraiser, ISGN/Fiserv Solutions. Melbourne, Florida.

Recoup Your Dues: Use Your Discounts!

The Association is working hard to bring you a wealth of benefits. If you are planning to travel any time soon, and a rental car is in your future, we have a Hertz Rental Card discount coupon for you. Need appliances? Let us know and we'll send you a promotional code especially for Members from Sears. You can choose from the largest selection of products including the top 8 appliance brand. Plus, save 5 to 50% on every item. You'll also find savings on any Official Products you might need for your organization, such as an official insignia seal, or a personalized stamp that identifies your membership and adherence to the strict 'Code of Professional Ethics. Use your discounts, and in no time, you can recoup your dues, and that's money in your pocket!