OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-8000

NOV 1 3 2013

Dear FHA-Approved Servicer:

If you have received Demand Letters from our agent, Michelson, Connor and Boul (also known as FHA's Mortgagee Compliance Monitor) regarding the re-payment of amounts associated with operating expenses incurred as a result of servicers failing to meet FHA's reasonable diligence timeframes delineated in 24 CFR 203.402(g), Mortgagee Letter 2005-30, and Mortgagee Letter 2013-38, please note that we are rescinding any such letters pending further review. If FHA determines that any claim payment exceeded the appropriate amount calculated pursuant to relevant FHA requirements, a new Demand Letter will be issued.

The rescission noted above does not affect any Demand Letter you may have received for unsupported property preservation expenses, filed on Form HUD 27011. Any such Demand Letters are still in full force and effect.

If you have any questions regarding this notification, please contact Matt Martin, Director, FHA's National Servicing Center, at (405) 609-8533.

Sincerely,

Duly W. T. Ivery W. Himes

Director

Office of Single Family Asset Management