

2/18/19

According to our HUD contact, the new Form HUD-51999 General Depository Agreement (GDA) should be used for all new agreements with banks. If PHAs already have a properly executed GDA with their bank, they do not have to replace the existing one with the new GDA form UNLESS the old form does not list the numbers of the individual accounts into which HUD deposits funds. If this is the case, they should execute the new agreement with their bank.

NOTE: I have asked our Chase Bank Personal Consultant to have their attorneys review it and see what they say. Maybe there is a difference in interpretation. If I learn anything of value, I will pass it on. LB

Research question: Have you had any problems with your bank(s) signing the updated HUD Depository Agreement (51999)? If so, how are you handling that?

Of those responding, six said they have had no problem getting their bank to sign the form. These include Frost and community and local banks.

Other comments:

Chase will not sign it and I have not found any bank willing to sign one. Chase attorneys state the language is contrary to Federal Banking laws. (Greenville)

Yes. J.P Morgan Chase and Wells Fargo have refused to sign them because their lawyers recommended not to sign. I have informed HUD and they understood that some housing authorities were having problems. Of course I didn't get that in writing. (Haltom City)

I had one bank and one credit union refuse so I went to a different bank. (New Boston)

We have not tried to have the bank sign the updated agreement yet. They had problems signing the previous agreement so I'm sure it will be a problem with the updated form. (Cleburne)

Yes. Looking for a new bank that will sign it. (Marshall)