



**U.S. Department of Housing
and Urban Development**

**Home Equity Conversion Mortgage Service Provider
(HECM SP)**

**Originator/Service Training-
System Related Questions with Responses
Session 1 : June 26th – June 28th 2012
Session 2 : July 10th – July 12th 2012**

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INTRODUCTION:

The HERMIT system training for Originators/Servicers (June 26th – June 28th / July 10th – 12th) was conducted in Dallas, Texas. The purpose of the training was to provide a hands-on experience of the HERMIT system to the Originating/Servicing industry. This training was conducted in a “train the trainer” format and the training material was provided to aid the trainees during and after training.

The training included time each day for a questions and answers session. The questions were submitted via index cards (to facilitate documentation). Most of the questions were answered during the training session and a few of them were finalized after the training. This document has been compiled with all the system related questions that have been answered. The purpose of the document is to:

- Aid in the training of potential HERMIT users within the organizations
- Alleviate any concerns associated with HECM operations in HERMIT
- Assist the organization in preparing for the upcoming go-live operations

There are a total of 165 system related questions and answers in this document divided into following categories:

- Table 1: Loan Setup/MIP (Premiums)
- Table 2: B2G
- Table 3: General Servicing
- Table 4: Claims
- Table 5: User Roles/Access
- Table 6: Data Conversion
- Table 7: General Questions

If you have any additional questions or need clarification on the responses provided in this document, please send an email to support@hecmsp.com.

Table 1 – Loan Setup/MIP (Premiums)

This table lists the responses related to Loan Setup, collection of initial and monthly premiums. The initial case details will be received in HERMIT from CHUMS (entered in FHA Connection). The Lender is then required to perform Loan Setup in HERMIT. The IMIP collection is automatically initiated after completion of Loan Setup in HERMIT. Upon collection of IMIP, the Lender must perform Servicer transfer to the Servicer that will be responsible for general servicing of the HECM loan. The monthly accruals and monthly MIP collection are automatically initiated by the HERMIT system.

No	Question Description	HECM BSP Response
1.	<p>How long after IMIP is paid in HERMIT will it be until Mortgagee’s account is debited the IMIP+ the late fee?</p> <p>Currently IACS debits funds next day.</p>	<p>It is the next business day, similar to IACS. However, if the completion of loan setup was done after the cut-off processing time for that day in HERMIT, the transactions will be processed a day later.</p>
2.	<p>When will the IMIP debit? The day after loan setup?</p>	<p>It will be similar to IACS, the next business day. Unless, the completion of loan setup was done after the cut-off processing time for that day in HERMIT, in which case the transactions will be processed a day later.</p>
3.	<p>When a change is made in CHUMS, how long will it take for the change to be reflected in HERMIT?</p>	<p>The data updates will be received and processed overnight and be available in HERMIT the next business day.</p>
4.	<p>If the Servicer is selected during loan setup then the Servicer will be charged IMIP, if Servicer is not responsible to pay the MMIP. How is this handled?</p>	<p>During Loan Setup, set the Servicer to the party responsible for paying the IMIP. After the completion of Loan Setup and the IMIP collection (Case Status - Pending Endorsement), transfer the loan to the servicer who is responsible for paying the MMIP using the servicer transfer functionality. This will ensure that the MMIP is collected from the Servicer assigned to the loan.</p>
5.	<p>Pending IMIP payment: Will the status automatically change to pending endorsement once HUD Accounting receives Payment?</p>	<p>Yes, once the IMIP payment collection confirmation is received from the Accounting Module, the status is changed to Pending endorsement automatically and the collection confirmation is sent to CHUMS.</p>

No	Question Description	HECM BSP Response
6.	Pending Endorsement: Are there any restrictions once the loan is in this status? (Change plan, transfer Servicer, Contacts????)	Yes, the Change of Plan cannot be performed during Pending Endorsement status. The general servicing functions like contacts and servicer transfer can be performed during this status.
7.	Will Original Principal Limit recalculate on Loans coming from IACS or only new loans?	Once the Loan Setup is done, the Original Principal Limit is not recalculated. During Loan Setup, if the Original Principal Limit (received from CHUMS) does not match the calculated amount in the system, then system updates the amount.
8.	Does the HERMIT system allow updates after Endorsement? For example: the borrower last name changes, can this be updated after Endorsement?	The borrower information is received from CHUMS. If CHUMS sends a change record to HERMIT after Endorsement, then the system will update the loan record with the updated borrower information.
9.	Is the Lender Recon file going to include the Borrower/Lender Paid IMIP fields?	Not at this time. The format of the Monthly Lender Reconciliation file will match the current version supplied by Lockheed Martin from IACS.
10.	Monthly Lender Reconciliation file: 1. Will Servicers be notified if the file won't be available by Business Day-3? 2. Will older Months files always be available? If so how far back?	1. The file will be located on the HERMIT file server. We will have internal controls to notify the HECM BSP if the file is not produced within three business days. The Servicer will not be notified directly. 2. No, the files cannot be accessed for prior months.

Table 2 – B2G

This table lists the responses related to B2G functionality. At this time, the HERMIT system provides the following B2G functionalities:

- Loan Setup file upload
- Transactions file upload
- Servicer Transfer file upload

No	Question Description	HECM BSP Response
1.	Insurance + Occupancy: Can we send a file to populate the existing loans? (with co + policy #).	There is no B2G capability to bulk upload the company name and policy#.
2.	Does B2G for Loan setup require the Servicer name?	No, the B2G file requires the FHA Mortgagee # for both Servicer and Investor. Please refer to the B2G Loan Setup specifications document for more details. If there are any questions about determining the Mortgagee # that corresponds to the organization, please contact the HERMIT Help Desk.
3.	B2G: Is there a history of B2G file exceptions?	There is a B2G exceptions report that provides the error history from past uploads. This report is currently not enabled for Servicer roles. It is currently only available to HUD.
4.	Does the system check user credentials during B2G upload?	Yes, if the user is attempting to upload a B2G file with FHA Cases that are not associated with their organization, the file would be rejected.
5.	Can additional information such as contacts, data of death, etc...be uploaded via B2G file?	Currently, the B2G functionality provides only three file uploads: <ul style="list-style-type: none"> - Loan Setup - Transactions - Servicer Transfer
6.	Can notes be auto-uploaded?	The B2G function does not include auto-uploading of notes.

No	Question Description	HECM BSP Response
7.	Is there a way to do Batch corrections in order to remove transactions on multiple loans at a time?	No, adjustments/reversals cannot be submitted through the B2G transactions file at this time.

Table 3 – General Servicing

This table lists the responses related to General Servicing. The Servicers must initiate the “servicer requests” when HUD approval is required. Once the requests are initiated, the Timeline Search screen can be used to search for requests that have been approved or require additional steps. The HERMIT system allows the authorized user to enter transactions with “effective date” back dated, when back dated system automatically creates adjustment transactions for the Interest, MIP, Late Charges and Penalty Interest as applicable. The property charges (Pre Due and Payable) associated with ML 2011-01 will be available in the system at Go-Live and requires the drawable equity to be completely exhausted before entering the property charges transactions. At this time, the system allows the effective date of the Servicer transfer only first day of the month. The HERMIT system provides capability to enter the approved Change of Plan (COP) with an effective date, at this time calculators and validations are not built around COP.

No	Question Description	HECM BSP Response
Timelines		
1.	Provide ability to export a given loans servicing setup timelines. Will provide default staff w/flexibility to monitor/track loans offline.	The search screen within each timeline category allows the user to search for timelines and identify the ones that need additional actions from the servicer user group.
2.	Servicer Request- Will there be a reporting feature to view pending submission and timelines?	The search screen within each timeline category allows the user to search for timelines and identify the ones that need additional actions from the servicer user group.
3.	Once a timeline step is entered what if we need to remove it? There appears to be no capability for this.	If a step has populated incorrectly, then the system does not allow removal of the step. The timeline must be inactivated and the user would need to start a new timeline.
4.	Will the occupancy compliance certification timeline need to be completed on all loans and uploaded each year?	Yes, to be compliant with HECM policy terms, the occupancy checks must be performed each year.
5.	Does the tracking of Occupancy Compliance automatically generate a chain of events that will cause HUD to respond/react to causing the loan to become Due and Payable for non-Compliance?	No, the servicer must still report the Due and Payable timeline with default reason of Occupancy Compliancy. At this time, system does not automatically create next events.
6.	How do you know when it is your turn to complete the next step?	By doing a search in the timelines screen for the step in question. You can query the system daily to see the list of loans that need to be worked on.

No	Question Description	HECM BSP Response
7.	How do you search for a timeline that was just created?	By doing a search in the timelines search screen. Navigate to the search screen of the timeline category (ex: compliance search screen), then search by the FHA case # or by the timeline name.
8.	Updating Borrowers date of death: Will the borrowers date if death show on the loan as well as showing the loan due and payable?	Yes, if the death date is populated, the system automatically initiates the Due and Payable w/o HUD approval timeline. The date of death is displayed on the contacts screen.
9.	Where is borrower date of notification to HUD available/captures?	When the date of death is populated for the last surviving borrower, the system creates the D&P w/o HUD approval timeline, which indicates the notification date. Also, audit information is captured on the death date.
10.	When date of death results = D&P status change- Does the system know it's the last surviving borrower's Date of Death?	The D&P w/o HUD approval timeline is initiated only if the death date is populated on the last surviving borrower.
11.	Is there a comprehensive list of servicer requests, and all associated timelines?	This has been included as a tip sheet and provided during training. Details on the servicer requests are contained in the User Guide.
12.	Requests: How is HUD notified of a request?	Once the request is submitted, HUD will be able to query the system to review the requests that were submitted and take action on them.
13.	Requests: Do you receive a confirmation email that requests were made to HUD?	At this time no email confirmation is sent for a request. If the completion date is populated for a step, then a request is submitted to HUD and can be queried by them.
Transactions		
14.	Does HERMIT apply HUD allowable P&P requirements to transaction processing?	Yes, on the New Transaction window when P&P transaction category is selected the system displays the link to the Mortgagee Letter with the limits. If the transaction amount exceeds the limit, then the system displays a hard stop message to initiate a P&P timeline and obtain HUD approval.

No	Question Description	HECM BSP Response
15.	Since MIP/Interest/Service Fee on a monthly basis is posted as transaction 1160, how will the system account for a back-dated transaction (from a MIP/Interest perspective)?	When a back-dated transaction is entered, the system automatically creates an adjustment transaction for the MIP/Interest and any late charges/interest associated with the transaction.
16.	When backdating payoff dates, there appear to be lump sum/int/MIP/SF adjustments. Is this a calculation or a query from the loan balance?	The system auto-calculates the adjustments on Interest, and MIP when balance transactions are submitted with effective date back dated.
17.	Will the system apply positive loan growth on closed end loans?	Yes, the growth transactions are automatically added and the Net Principal Limit is displayed as \$0.00.
18.	When will the ML transactions be available?	The ML 2011-01 Property Charges transactions will be available in the HERMIT system at Go-Live. A web training (webinar) on this topic is proposed for the month of September 2012.
19.	If you adjust the transactions and you filter by the effective date, will you be able to see the transaction value before and after the adjustment?	Yes, when sorted by effective date, the system will display both the transaction and the adjustment with the same effective date.
20.	If there is \$50 left in the borrowers NPL and a bill for \$100 is received, would the servicer need to process two separate transactions? One a disbursement transaction and one a "property charge" transaction for \$50.	Yes, they would need to be split into two separate transactions.
21.	If a payment is made, where there is available Line of Credit (Taxes?) is that processed as a disbursement or a property charge? Does it have to be broken into two transactions?	<p>There are separate transaction categories created in the system, when drawable equity is available vs. exhausted.</p> <p>If the drawable equity is insufficient to cover the transaction amount, then an unscheduled disbursement transaction must be entered until the drawable equity is exhausted. It needs to be followed by appropriate property charge transaction that covers the remaining amount.</p>

No	Question Description	HECM BSP Response
22.	Scenario: I have available LOC of \$1,000 and need to enter a transaction for \$1,900, but NPL has sufficient funds. Will the property charge transaction code be accepted for total transaction amount or will the transaction be entered as \$1,000 LOC and \$900 Property Charge	Yes, they would need to be split these into two separate transactions.
23.	Can you reverse a reversal transaction?	No. Once a transaction is reversed, it cannot be un-reversed.
24.	<p>Backdated transactions:</p> <p>Where can calculated "late charges and penalties be viewed in the system?</p> <p>Are there any applicable system rules we should know about?</p> <ol style="list-style-type: none"> 1. How far back can transactions go 2. etc... 	The late charges and penalties are displayed on the Transactions -> Loan screen associated with each transaction. The system will apply these transactions automatically and there are no restrictions on how far back they can go.
25.	<p>What time of day does the month end accrual transactions occur? (and time zone)</p> <ol style="list-style-type: none"> 1. This way we know what the "last hour" is in the case reconciliation is still occurring or there are actually "last minute" transactions. 	The timing is being finalized with HUD at this time and will be published. The time zone is Eastern Time.
26.	Currently, HUD's contractor Lockheed Martin is involved with updating certain transaction types (such as service fees, MIP plus interest adjustments, prior months scheduled payments) as Servicers are not allowed to enter these transactions. Will servicers be able to enter and update these transactions in HERMIT?	System automatically calculates the MIP and adjustment transactions. These transactions are not available in HERMIT to be initiated manually by the user.
27.	<p>Adjustments:</p> <p>In what instances are late charges and penalties calculated?</p>	Late charges and penalties are calculated on transactions that impact loan balance (unscheduled disbursements). If transactions are back dated and affect the monthly accruals then late charges and penalties are incurred on Monthly Insurance Premiums (MIPS).

No	Question Description	HECM BSP Response
28.	<p>Transactions:</p> <p>Is there anything to stop a disbursement transaction when there is no available Line of Credit?</p>	<p>When the ML 2011-01 requirements are built, the system will put a hard stop from using unscheduled disbursement when there is no drawable equity.</p>
29.	<p>Transactions:</p> <p>Is there anything to stop a corporate advance from happening on a loan with an available Line of Credit?</p>	<p>The corporate advance transactions must be initiated post Due and Payable. However, Property charge transactions must be under Pre Due and Payable.</p>
30.	<p>How do you correct/Reverse the system if you saved "Final" and you get another invoice posted to the wrong account?</p>	<p>The user must adjust and reverse the "Final" transaction. Re-Submit the transaction as "Not Final". Create a new "Final" transaction with the final invoice amount.</p>
31.	<p>Will late charges and interest be charged on Corporate Advance Transaction types?</p>	<p>The corporate advance transactions do not affect the Loan Balance. Therefore, there is no late charge/fee associated with it. However, this can be a future enhancement.</p>
32.	<p>When disbursements are completed, how quickly would HERMIT need to be updated prior to receiving late charges and penalties?</p> <p>For New loan setup it is 15 days, how many days for Disbursements?</p>	<p>As you know, the Disbursements affect Loan Balance. If the monthly accrual is impacted then late charges and penalties will be applied in association with the Mortgage Insurance Premium.</p>
33.	<p>Are the property charge advances added to the "new loan transaction"- transaction category drop down menu yet?</p>	<p>No. It will be available and added at before go-live. It will be discussed during refresher training and documented in the User Guide and updated training materials</p>
34.	<p>If a termination transaction code is submitted over the \$10 threshold, will the loan still show a termination transaction code but the status will remain endorsed?</p>	<ol style="list-style-type: none"> 1. For a shortage over \$10, the system will not allow terminations. There is a hard stop. 2. For an overage there is no threshold. A termination transaction code is added and the case status updates to terminated. An overage remittance transaction is added for the overage amount.
35.	<p>Are the "Property Charge" Transactions the only transaction types to drive the NPL negative?</p>	<p>The Unscheduled Disbursements, Set Asides transactions category will also drive the Net Principal Limit negative in addition to property charges.</p>

No	Question Description	HECM BSP Response
36.	<p>When correcting loan setup advances, is the entire amount to be “reversed” and then correct amounts be resubmitted?</p> <p>The adjust loan transactions popup is grayed out which will not allow charges to be made.</p> <p>Example - \$74,000 in HERMIT for loan setup advances but should have been \$72,000.</p>	<p>Yes, the system will force full reversal and will not allow the user to make partial adjustments. It has to be adjusted for the full amount again.</p>
37.	<p>Regarding back dated Transactions where can we view calculated “late charges and penalties”?</p> <p>How are these calculated?</p> <p>Are there any applicable system rules we should know about? How far back can these go? Etc.?</p>	<p>The “late charges and penalties” transactions are displayed on Transaction -> Loan screen.</p> <p>These are calculated by the system automatically based on the late charges and penalties guidance provided by HUD, similar to Loan Setup.</p>
38.	<p>Are there growth adjustments when back dated transactions or reversals occur?</p>	<p>Yes, there are growth adjustments except adjustment of payoff for both the events.</p>
39.	<p>Will any calculated growth fields be editable or allow correction for converted IACS loans? i.e. current principal limit</p>	<p>The growth transactions are automatically calculated by the system and cannot be manually adjusted.</p>
40.	<p>Example: NPL = \$100, Taxes of \$200 needs to be paid. Can this be posted as 1 transaction for \$200 as a charge beyond drawable equity, or are 2 transactions required? (1=LOC + 1=charge beyond drawable equity)</p>	<p>Yes, they would need to be split into two separate transactions.</p>
41.	<p>Will only the appropriate transaction types in the New Loan Transaction screen be available in HERMIT based on loan conditions? All Transaction categories appear to be displayed.</p>	<p>When New button is selected on the Transactions -> Loan screen, the transaction category drop-down on the “New Loan” window displays all the transactions categories. Upon submission of a transaction, system will validate the transaction against the corresponding business rules, if all the rules pass, the transaction is added to the Loan. If any of the rules fail, system will display appropriate error/warning messages.</p>

No	Question Description	HECM BSP Response
42.	On loans with multiple transactions of same amounts and on the same date and you adjust one of those transactions, how will the user know which transaction was adjusted? There is no unique identifier to tie back to the transaction you are adjusting.	The transaction description and code uniquely identifies the transactions. The reversals are captured at the transaction category level and not at each transaction level within the transaction category. To capture adjustments at each transaction level requires an enhancement to the system.
43.	If we have a negative claim amount, how do we Terminate the MIP? Do we Choose "Terminate Other"? What amount would go on the Transaction Amount?	<p>In the event, a claim is not filed, the loan must be terminated using the appropriate disposition method to avoid MIP accrual. The termination transaction options are:</p> <ul style="list-style-type: none"> • Terminate: REO/3rd Party/FCL Sale (PIF) • Terminate: REO Sale (Partial) <i>Note: this transaction requires write-off of the remaining loan balance.</i> • Terminate: Short Sale (Partial) <i>Note: this transaction requires write-off of the remaining loan balance.</i> <p>The transaction amount will be same as the disposition amount.</p>
44.	If status changes are process based, when are termination codes entered? Only when posting a payoff transaction?	When the payoff amount is received, then the Servicer must initiate a terminate transaction and select the transaction type based on the reason for termination.
45.	Prepayment waterfall – Is this a HUD?	Per the Business rule provided by HUD, any transactions with repay category will be distributed using the waterfall.
Status Updates		
46.	Once a loan shows "Assigned" will we be able to monitor what the HUD Contractor is doing on the loan because the borrower still calls the lender after assignment.	The loan is accessible only by the current Servicer/Lender on the loan. Upon claim submission, the loan is transferred to the HUD NSC Contractor and the previous Servicer cannot access the loan. The HUD NSC Contractor will send a "Welcome Letter" along with the contact information that the borrower must use.

No	Question Description	HECM BSP Response
47.	Fields locked when case is endorsed, implies that the HECM insurance app is the last place to input/modify loan information?	Once the case status is Endorsed, some data fields within Loan Rates section are locked.
48.	What does the case status have to be, when the contact information is changed and death date is changed? When I do that, I am not seeing the sub-status change.	The due and payable sub-status change will occur only if the death date is populated on the last surviving borrower.
Servicer Transfer		
49.	Can the Servicer transfer effective date be updated during a pending transfer?	No, the effective date cannot be updated after initiation. To change the effective date, cancel the pending transfer and re-initiate the transfer with the new effective date.
50.	Is there audit functionality on Servicer transfer?	At this time, the audit functionality does not capture pending transfers as the transfer is not complete. To view pending transfers use the Batch -> Servicer Transfer list.
51.	When transferring the investor will the servicer auto default to that investor or that investor's servicer? Example: RMS purchases ORM loan. We change the investor to RMS. Will the system then auto change the servicer to RMS as well?	No, the system will not auto default or update the servicer when the investor is changed. The investor update and servicer transfer are two separate events and must be initiated separately.
52.	Is it possible to handle servicer transfers on any day that isn't the 1 st day of the month?	The system is currently programmed to complete the Servicer transfer on the 1 st day of the month.
53.	If we want to look at Loans being serviced by another servicer, do we have to know the mortgagee ID of that company?	One Servicer cannot see another Servicers loans. The user ID will be provided based on the Mortgagee ID, which allows one to view loans corresponding to that Mortgagee ID only.

No	Question Description	HECM BSP Response
54.	<p>Transferring Servicer/Investor:</p> <p>Why is the transferring servicer limited to first of the month? and can it be immediate?</p> <p>Concern: If investor is transferred on July 15th but Servicer is not scheduled till August 1st (Because of limitations) and the client calls for a withdraw request Servicer cannot update HERMIT because they do not have access to the loan yet.</p> <p>What if the Servicer was not transferred because it was missed and now the loan needs to wait till next month to be transferred?</p>	<p>The system functions as designed. The servicer transfer must occur on the 1st day of the month.</p>
Payment Plan/COP		
55.	<p>Is there any sort of edit check to make sure a payment plan change is feasible? Meaning can you enter any amount even if there are no funds available or the requested plan should not be possible.</p>	<p>Since HUD authorization is not needed for COP, validations around feasibility of COP are not built for Insured Loans in HERMIT. The system allows entry of the approved payment plan changes.</p>
56.	<p>In working with payment plan changes, a payment plan change to a term payment was allowed...is that accurate? And if not, will there be "stops" in place to catch this?</p>	<p>The system does not validate the pay plan changes. Once the pay plan is approved in the servicer system, the servicer is required to update the HERMIT system with the updated pay plan.</p>
57.	<p>Do scheduled payments still populate even in Due and Payable (D&P) status if the stop payment is not placed on loan?</p>	<p>The scheduled payments are stopped if the payment status is updated to "Payment Suspended".</p> <p>The system automatically updates the payment status to "Payment Suspended" when the Loan enters Due and Payable w/o HUD approval, for reason of Death of Borrower.</p> <p>For D&P reasons that require HUD approval, the Servicer must manually update the payment status to "Payment Suspended".</p>
58.	<p>Is there a Pay plan type for fully disbursed?</p>	<p>Yes, it is the Line of Credit.</p>

No	Question Description	HECM BSP Response
59.	Pay Plan: If payments are suspended, going forward, will all unscheduled advance transactions be rejected?	No, the unscheduled transactions will not be rejected in the system.
60.	Is the payment status change effective immediately?	Yes, once the status is updated the change is effective immediately.
61.	Can you back date payment plans and if so will it recalculate completely?	No, you cannot back date the payment plans. HERMIT system calculates them for dates greater than or equal to system date.
62.	When the user suspends monthly payments on modified loan type, can you still submit batch LOC changes? (Currently, IACS kicks these out – Exception Report)	Yes, if payment is suspended, the system does not add/record scheduled disbursements. However, it still allows reporting of unscheduled disbursements.
63.	Change of Plan (COP) fee – Is this a loan charging fee? i.e. does it increase the Loan Balance and is it charged MIP and Interest?	Yes, the COP fee is added to the Service Fee bucket of Loan Balance.
64.	Entering mod term loan <ul style="list-style-type: none"> - I entered payment amount and term but the system did not auto calculate LOC - Simply let's user enter any value - No validations Shouldn't this amount be calculated and validated?	There is no calculator built for Endorsed COP and the system allows the Servicer to record the approved COP. There are no validations against COP.
Other		
65.	On the Loan Module Payoff page is there an export feature? Or a print feature?	At this time, there is no export or print feature for payoff's.
66.	If you enter in a death date for the borrower, the payment status is "payment suspended". If you delete the death date, the payment status remains payment suspended, is that the desired functionality?	Yes, the system is functioning as per the requirements provided. Payment must be reactivated manually through the Payment Plan section of the Loan Balance page.

No	Question Description	HECM BSP Response
67.	All changes to interest rates have to be completed prior to endorsement? Is the historical rates information available in HERMIT?	Yes, the historical rates information is available, for loans Endorsed after HERMIT Go-Live. The rates history is not available for loans that are Endorsed in Insurance Accounting Collection System (IACS).
68.	When a borrower had a negative NPL prior to a default or Due and Payable event and they have paid back their delinquency in full, will HERMIT allow you to change the sub status back to loan active even though the NPL is still negative?	Negative NPL does not cause case sub-status to change. There is no delinquency case sub-status prior to Due and Payable. However, if the loan was Due and Payable and the reason was cured, and the Due and Payable timeline is inactivated. System will automatically update the Case sub-status.
69.	Will all HUD Due and Payable requests for approval and recession be done through HERMIT and eliminate the usage of the Extensions and Variances Automated Requests System (EVARS)?	Yes, all requests must be processed through HERMIT. The use of EVARS will be eliminated for HECMS by Go-Live for HECMS.
70.	Will historical documents be required to be uploaded to HERMIT or only going forward from the release date?	Documents will be converted from SMART. Documents required to service the loan, process servicer requests, and claim filings are required in HERMIT.
71.	Upon repurchase of a loan previously assigned to HUD, when a servicer goes into accounting to authorize the repurchase, does the payment of repurchase come from the listed investor or servicers ABA?	It is debited from Investor, as the Claim was paid to the Investor.
72.	Is there a hard stop if "Optional Assignment of a HECM" is removed? If no, could it be a possible upgrade or possible validation error?	No, there is no hard stop if text is removed. Please contact the HERMIT Help Desk and submit your enhancement request. The system has been designed per the specifications.
73.	Will all assignments communication be completed through HERMIT? Will the appraisals, Denials, Pending notices be done through the system eliminating email communications?	Yes, all the assignments processing is through HERMIT. No separate email communications is needed.
74.	HERMIT allows a 1 st year set aside to be set up on a loan that is more than 1 year old. Shouldn't this be restricted?	The first year set aside can be used not only for first year but for any set asides past first year.

No	Question Description	HECM BSP Response
75.	Does "Credit Line Set Aside" represent available LOC (Line Of Credit)? If so, why is this subtracted from the Net Principal Limit? If no, what is it?	Yes, the Credit Line Set Aside section on the Loan Balance screen displays the Net Credit Line available for modified term and tenure pay plans. For the LOC pay plan, the NPL shows the LOC amount.
76.	Do scheduled payments still populate even in Due and Payable (D&P) status if the stop payment is not placed on loan?	<p>The scheduled payments are stopped if the payment status is updated to "Payment Suspended".</p> <p>The system automatically updates the payment status to "Payment Suspended" when the Loan enters Due and Payable w/o HUD approval, for reason of Death of Borrower.</p> <p>For D&P reasons that require HUD approval, the Servicer must manually update the payment status to "Payment Suspended".</p>
77.	Is there a way to upload dates of death for multiple loans at one time or do they have to be entered individually by hand?	Dates of death need to be entered manually on the individual loans.
78.	If the borrower home phone number is updated, must we manually update both the borrower and co-borrower info or will the system populate the home phone number for both borrowers?	The information must be updated manually for both contacts, system will not auto-fill the other borrower's information.
79.	Is there a mechanism to bulk load images?	The system does not provide a mechanism/B2G to bulk load images or documents at this time.

Table 4 – Claims

This table lists the responses related to Claims. The HERMIT system auto populates the Claims Worksheet with the loan activity recorded in HERMIT. The system performs validations at the time of Claim submission and does not allow the Claim submission until the errors are resolved. The Timelines Search screen must be used to view the Claims that have been approved, paid, denied or request additional information. Once the CT 22 Claim is submitted, the Loan is transferred to HUD NSC Contractor (the Case status is changed to “Assigned” upon Final Title Approval) and the current Servicer cannot access the loan after they exit the Claims timeline. The Servicer must save the electronic version of the Final Claim Form – 27011 and Advise of Payment documents prior to exiting the CT 22 timeline. For CT 21 and CT 23 upon payment processing, the Case status is automatically “Terminated” and the Loan Balance is brought to zero. The Servicer will have access to the Terminated loans, the Claim timelines and the associated documents.

No	Question Description	HECM BSP Response
1.	Block 34 (Brief Legal Description): Does HUD Require this to be populated and if so how is this done?	<p>This is an optional field on the Claims Worksheet. Block #34 is pre-filled with data on the “Legal Description” field on Property Info screen.</p> <p>To populate the field, select the loan from Loan Search screen, select Property Info from the left hand menu options, click the Edit button, populate the “Legal Description” field and then Click the Submit button to save the changes.</p>
2.	If the AOP is instant, does that mean the supplemental is due 6 months from AOP submission or 6 months from the termination?	The supplemental claim is due 6 months from the Settlement date which is the date the Claim is approved by HUD.
3.	Assignment Claim – How can I get a copy of the claim form if I forget to save/print a copy?	The user would need to contact the HUD NSC Contractor or HERMIT Help Desk.
4.	How would the “Auto 90 day servicer” extension be used on the HERMIT Claim form?	This field maps to Block 19 on the Claims Worksheet. If this date is populated, the system checks whether Block 11a is within Block 19, if Block 11 a is not within Block 19, then the system curtails the Debenture Interest to Block 19.
5.	Is there a report for just Approve/Denied/Pending Additional Info?	Yes, use the Endorsed -> Claims -> Search screen to search for claims by claim status. This screen allows for the export of the search results to an excel file.

No	Question Description	HECM BSP Response
6.	CT 22: How do we see the status of these steps after claim submission: HUD receipt of recorded assignment and issuance of title cert?	Upon claim submission, the Servicer will no longer have access to the loan. The Final Title Approval letter will be mailed by the HUD NSC Contractor.
7.	If a claim ends up with a negative amount. Does the system keep that information? Can the user then search for that "Claim" work even though no Claim was submitted?	Yes, even though the claim was not filed, the system will display the claim timeline initiated by the Servicer. However, the Servicer cannot submit the negative claim.
8.	Currently we are allowed to submit at 97.5%. With HERMIT is it only 98%?	Yes, the HERMIT system will allow initiation of CT -22 Assignment timeline only when the Loan Balance is greater than or equal to 98%.
9.	CT22: When does MIP stop being debited?	On the date of assignment/claim submission.
10.	Will Claim Type 22 assigned claims automatically terminate as well when claim is paid?	There is no termination transaction for CT 22. The loan status is updated to Assigned and the loan will be serviced by HUD NSC Contractor in HERMIT system. There will only be one loan in HERMIT.
11.	Relative to claims – Since the "new" transactions will not be available until the HERMIT release date, how will the "old" auto-populate the various claims forms? In other words, how will the IACS transactional data that has already been communicated be mapped to HERMIT in order to facilitate claims automation?	The IACS transactional data at the time of go-live will be converted to HERMIT. Any missing transactions can be loaded by Servicers in HERMIT after go-live and initiate claims in the HERMIT system. Upon initiation, the system will auto-populate all relevant transactions on Claim forms. Please note that any paper claims submitted to HUD prior to conversion will be processed outside HERMIT and the user cannot re-submit the same claims in HERMIT.
12.	1. How will HERMIT handle accrual and billing MIP post foreclosure- Prior to payment of HUD Claim? 2. Will MIP Billing stop at Foreclosure sale? Thus avoiding current practice under which HUD reimburses the overcorrected MIP?	The MIP will continue to accrue post due and payable. MIP prior to the due and payable is rolled into the Loan Balance (Block 17). All MIP collected from due and payable will be populated on the Claim form and will be reimbursed per the business rules laid out by HUD.

No	Question Description	HECM BSP Response
13.	Will HERMIT be used for claim type 24 supplemental claims?	Yes. However, the initial claim (CT 21 or CT 23) must also be submitted through HERMIT. If the initial claim is submitted through paper to HUD then supplemental must also be submitted through paper.
14.	Posted S305 transaction does not increase the loan balance. Why doesn't this increase the balance?	The Corp Advance transactions does not increase the loan balance. These must be incurred after loan is Due and Payable and these transactions are displayed on the Claims form.
15.	Why is the loan balance in the loan balance field different from the loan balance in box 17?	Based on the date of assignment, the Unpaid Principal Balance is generated. If the date is not end of month, the Service Fee will not be included on Block 17 (Loan Balance).
16.	Can the completed Claim form be loaded to Excel?	It cannot be exported to Excel. The form is only available as a PDF document.
17.	What happens if the servicers don't agree with the validation errors on the claim form?	Please contact the HERMIT Help Desk and submit your enhancement request. The system has been designed per the specifications.
18.	In the claim file window, is there a prompt when a user makes some changes and closes the window without saving? In other words, is there a verification of the data in all the fields and the data since the last save (in the database) when a user closes the claim form window? This would help ensure users don't unknowingly close without saving.	Users must click the Save link in order to save changes. The system will not prompt the user to click save change when exiting the window. If the user exits without saving changes then the changes are not saved and must be re-done.
19.	The AOP we reviewed had a settlement date of 6/28, which means my supplemental will be due 6 months from today. Will I really get paid today?	The settlement date is the date the Claim was approved by HUD. Once approved, a batch is created. The batch will be sent to Accounting for payment processing which typically takes about 1-2 Business days for processing. The funds will be available within that timeframe.
20.	CT 22: What is the reason for not allowing access to the Form HUD – 27011 or the AOP after the Assignment has been completed by HUD? Timeout issues can kick you out before you ever had the chance to upload or print them out.	Upon Assignment, the loan is transferred to HUD NSC Contractor and HUD, therefore the loan is no longer accessible to the previous Lender/Servicer. Upon claim submission, the Servicer must save a copy of the HUD Claim Form-27011 and AOP from the documents tab before exiting the screen.

No	Question Description	HECM BSP Response
21.	Block 6 is the Date Claim form prepared, in part C, D and E Blocks 204, 304, 404 should mimic block 6, but date differs why? And where is it pulling the date form?	The date in Blocks 204, 303 and 404 displays the Debenture Interest Date. This is the end date used to calculate debenture interest on expenses in Part C, D and E. The Debenture Interest End date is the earlier of the Curtailment Date or the Date the Claim Form is prepared. In the lab scenario, there was a curtailment scenario so the date mapped to the earliest curtailment date and not Block 6.
22.	What is the timeframe for resubmit before the form 27011 is rejected?	There is no timeframe restriction for CT 21 or CT 23. However, upon resubmission, the curtailment rules will be applied based on the resubmission date. For CT 24, the claim must be re-submitted within 45 days from the date HUD requested for additional information.
23.	Are you required to validate the claim prior to claim submission? Is there a validation that runs at claim submission?	Yes, if not done by the user, the system will automatically trigger "Validate Claim" link when the "View Form" or "Finalize and Submit" links are selected.
24.	Short Sale: What if it's not called D&P prior to short sale completion?	The system will allow claim submission even if it is not D&P as long as the Claim amount is not negative and passes all validations.

Table 5 – User Roles/Access

This table lists the responses related to User Roles/Access. The system profiles are available based on the roles and responsibilities within each organization. The system profile restricts the users to view the data associated with their organization. Multiple system profiles cannot be associated with a single user ID. The user ID will be made inactive if not used for a period of 90 days. Request must be submitted to HERMIT Help Desk to activate the user ID. There is no restriction on number of system profiles that can be requested from each organization.

No	Question Description	HECM BSP Response
1.	Are there system profiles for requesting access to HERMIT? Do we have any lookup table of those profiles and their access/responsibilities?	Yes. System profiles or security roles are populated on the access request form. The user must request a particular role based on their responsibilities within the organization.
2.	Does the system timeout after a period of inactivity?	Yes, as a security measure the system will timeout after 30 minutes of inactivity.
3.	When clicking on a note, it appears one can edit it, but that is not the case. This should be corrected to avoid confusion according to desired functionality.	The notes can be edited/deleted only by authorized users (example: Servicer Manager role) and is part of the system profile. Only when the authorized user selects the note, a pop-up window is displayed to edit it.
4.	When the system “times” you out after 30 minutes. Does it save at timeout or is data not saved.	The system does not auto-save the data if changes are not pro-actively saved by the user.
5.	Can a user get more than one role?	No, each User ID is associated with a single user role. If needed, the user could request a second User ID (Sub-Servicers would probably need this).
6.	Can any Servicer role update the Servicer Bank information?	No, only the Servicer Manager role can update the Servicer Bank Information.

No	Question Description	HECM BSP Response
7.	Loan Documents: Is there any way to place security to ensure no documents are deleted?	Current security roles are working as designed. Servicer staff roles cannot delete documents, only Manager role can do so. Please submit any suggested changes to HUD.
8.	Do certification steps in claim submissions require a specific level of access other than staff access level? (when certify pop-ups occur)	No, both staff and manager can certify. They have the same access level for Claims submissions.
9.	For servicers that have sub-servicing agreements, how will the access to loans be "shared"? For example: If Celink is sub-servicing for Bank of America, will Celink have access under Bank of America mortgagee id or a Celink ID? If under a Celink ID, how will Bank Of America have visibility of their Serviced Loans?	The user ID will be based on the Mortgagee Id. For example, if Celink is sub-servicing, then Bank of America will require a separate user ID to access the Bank of America loans in the system.
10.	Will user ID's ever be suspended/cancelled after a period of inactivity? For example, if a user ID hasn't logged in to HERMIT in 90 days. If they do get suspended or cancelled due to this, what is the period of inactivity?	Yes, the user ID's will be suspended if not logged in to the system for more than 90 days. Please contact the Help Desk to activate the user ID's.
11.	Can the "Read-Only" role access reports? Example: IMIP paid report	Yes, the read-only roles have permission to view and generate the premiums reports (IMIP and Refund).
12.	Servicer Manager Is there a limit to the number of the functional roles per organization?	There is no limit on number of roles per organization.

Table 6 – Data Conversion

This table lists the responses related to Data Conversion. All the IACS history will be converted to HERMIT at go-live. The principal, interest, MIP and service fee transactions will be converted from IACS and will not be re-calculated in HERMIT.

No	Question Description	HECM BSP Response
1.	Conversion: Will full IACS history be available in HERMIT?	Yes, the full IACS history will be available. We are converting all IACS data into HERMIT
2.	Conversion: How does HERMIT recalculate interest plus MIP adjustments due to transactions reversed or backdated prior to HERMIT conversion?	System automatically calculates the adjustments based on the effective date, even if it was prior to conversion.
3.	Conversion: After conversion, how will it be apparent that a loan has a claim submission and claim payment pending?	If paper claim was submitted prior to conversion, then the loan will be marked during conversion to ensure a claim is not filed in the HERMIT system. Upon receipt of payment, the servicer must initiate a terminate transaction in HERMIT, based on the claim type, to close the loan.
4.	The system appears to have current accounting information, is it accurate?	Yes, the information is from IACS. There will be a pre go-live conversion with the latest data at the time of conversion.
5.	When IACS data is converted – will Principal Interest, MIP, SF buckets come over as is, or will HERMIT take just the transactions and re-accrue and recalculate growth for life of loan?	The transactions and monthly accruals are converted using IACS data. The HERMIT system will not re-calculate accruals at the time of conversion.
6.	Loan Case Sub-Status: How is this going to populate from the current IACS system on existing Loans? (When transferred from IACS -> HERMIT?)	There will most likely be only 2 case sub-statuses when converting from IACS on active insured loans: Loan Active or Due and Payable. For the loans processed in HERMIT, based on the loan activity, the system will automatically update the case sub-status.
7.	Will the Lender field on Endorsed Loans be auto populated by FHAC? Looking at our Loans in HERMIT some have the correct FHAC Lender but others show Servicer as the lender.	The data in HERMIT is as directly converted from IACS.

No	Question Description	HECM BSP Response
8.	Transaction matrix: How will HERMIT transaction #'s be assigned to IACS transactions when the history is dumped to HERMIT?	The transactions codes mapping was created between IACS and HERMIT with approval from HUD. Each transaction code from IACS has a corresponding transaction code in HERMIT.

Table 7 – General Questions

This table lists the responses related to General Questions. The system provides query screens to search for loans and export the results in excel. The system captures audit information on data fields associated with the loan.

No	Question Description	HECM BSP Response
1.	Can the Loan Number search be wild card too?	Yes, currently it can be searched as a wild card in the system.
2.	Will the same FHA Case # appear if searched on different Case statuses?	<p>No, each loan has one Case Status and one Case Sub-Status at any time.</p> <p>To search for a specific loan, please use the FHA Case #. To search by Case Status or Case Sub-Status, select the appropriate Case Status and/or Case Sub-Status. The FHA Case # will appear if the status matches the search criteria.</p>
3.	Is there a size limit to the PDF upload?	Yes, the maximum limit is 15 MB.
4.	When adding a contact to a loan, is there a zip code validation when entered?	At this time, there is no validation to check the zip code against a state when adding or editing a contact.
5.	Do we need to make unique file names for servicer uploads since the file may be rejected?	<p>Yes, the file name must be unique for each upload.</p> <p>Tip: Use the timestamp as part of the file names, this will ensure the file name is unique and easier to be tracked internally.</p>
6.	Why can't a user go into the open disposition (or disposition steps) on the loan the user is already viewing? Why does the user have to search for the loan they are already viewing?	The Loan tab is not connected to the timeline tab. When each of the top menu option is selected, the loan # must be re-entered to view the timelines associated with the loan.
7.	Can uploaded documents that are uploaded by different users be deleted? Or recovered?	Yes, documents that are uploaded by a different user can be deleted by authorized users belonging to the same organization. Once the document is deleted, it cannot be recovered.

No	Question Description	HECM BSP Response
8.	Audit Tracking - Where is the export feature? What is the time zone captured in the change date? Is there a list of all audited fields?	At this time, there is no export feature for Audit Tracking data. The time zone is Eastern Time. The audit drop-down available in the Audit Tracking function (left menu of the Loan Module), lists the data fields that are being audited.
9.	Alerts – The complete alert description isn’t visible unless you hover. This isn’t very user friendly. Especially when loans could have many alerts (potentially)	The system allows the user to expand the viewable area.
10.	Queries: Once a loan has been terminated, will there be a time limit for how long we will be able to view that loan in HERMIT? If so what is it?	All loans regardless of status will be able to viewed in the HERMIT system. There is no time limit.
11.	What are the hours and days of operation for HERMIT?	The HERMIT system will be available online 24 hours a day, seven days a week except for scheduled maintenance. The HECM BSP Help Desk, will be available to Servicers and Lenders from 6:00 am – 11:00 pm (EST).
12.	Property – What data from Zillow is displayed? It’s an unlabeled graph. The time frame looks messed up, January and 2012 not displayed. Can we print the property photo or location/statistics?	A web service is being used for this graph. The zip code of the property is submitted and the system receives the dollar amount as the statistic value.
13.	Will the training User IDs and passwords be available after training?	We are working with HUD to provide a solution.
14.	Property: If the exact location of the property cannot be found, does the software alert you to inform that the map does not reflect an exact location but more of a general vicinity?	At this time, the system will not generate a warning message.
15.	Is the information exported to Excel “read only”?	Once the data is exported to Excel, the file can be edited.

No	Question Description	HECM BSP Response
16.	Is there a limitation on who is running parallel? Can GMC have same option?	The parallel operations participants have been finalized by HUD.
17.	Loan Transfer filter: Repayments: Is there a limitation built into the values displayed in the sub category for the repay transaction category? For example, on line of credit loans, will it only show the sub-category of "reduce loan balance"?	Each category displays transactions grouped within that category only.
18.	Does user guide display contain a glossary of user errors and what to do when received?	The user guide does not list the errors at this time. The error messages are self-explanatory and include the Block #, Part and the reason for failure.
19.	What is the set timeout limit and is there a recovery of data ability?	The timeout is 30 minutes on inactivity; Please save your data before the timeout as it cannot be recovered.
20.	Under Loan/Servicer Info incorrect information for Lender/Serv/Inv. It says "Contact S/B Mary Ann Rutledge Phone S/B 404-995-5530"	The system currently displays information as received from IACS and this data must be updated in IACS prior to Go-Live.
21.	Will the system give a warning if the case# is entered twice but with a different borrower?	The loan in the file from CHUMS would be rejected if a duplicate FHA Case # was sent to the Servicing Module.
22.	Will we be able to use the training user ID when we leave the conference?	We are working with HUD to provide a solution.
23.	Is there a log of edit loan changes?	Yes, the audit tracking screen displays the audit information captured in the system.
24.	Is there a limit to the number of people who can be viewing/working on a claim at any one time? Example: someone's inputting transactions while someone is preparing the claim.	The system does not prevent multiple users accessing the same loan. However, it is recommended to assign inventory to individuals to ensure that the same loan is not worked by two people.

No	Question Description	HECM BSP Response
25.	Are system generated notes populated from actions incurred from other populations. i.e. critical alert, borrower death, taxes and insurance default.	Yes, when the triggering action for the note is completed, the system automatically generates notes on the FHA Case#.
26.	To ensure I have insight into the updated documents provided at this training event, please email the B2G document and Parallel Operations document	Documents will be provided by HUD.