

## CLAIM PREPARATION - PRE-FORECLOSURE SALES

Pre-foreclosure sale claims can be filed in paper form or electronically via Electronic Data Interchange (EDI) or the FHA Connection. For a Pre-foreclosure Sale claim, both Parts A & B must be filed simultaneously.

If the mortgagee files a paper claim, the claim must be completed as described below using HUD Form-27011, Single Family Application for Insurance Benefits. In order to avoid delay in payment **and to be considered received within the time requirement**, the claim must be complete and accurate and contain all required information no matter which submission method is used.

In many instances, the instructions for conveyance claims apply equally in pre-foreclosure sale cases. When this occurs, the conveyance instructions for that item are repeated verbatim for convenience.

### A. **Instructions for Completing Form HUD-27011, Part A, Initial Application**

The following item-by-item instructions are to be used. The instructions are presented with a view of the paper Form HUD-27011, but the user should be able to interpret the instructions for FHAC or EDI filing.

#### **PART A** **INITIAL APPLICATION**

- |               |  |
|---------------|--|
| <b>Item 1</b> | <b>Claim Type</b><br>Mark the 07-PFS box.  |
| <b>Item 2</b> | <b>FHA Case Number</b><br>Enter the FHA Case Number as shown on the Mortgage Insurance Certificate (MIC) or portfolio results screen. Acceptable format is: XXX-XXXXXXX If the MIC or portfolio results screen shows only six digits after the dash, enter an "X" for the final digit. |
| <b>Item 3</b> | <b>Section of the Act Code</b><br>Enter the ADP code for the Section of the National Housing Act under which the mortgage was insured. This is found on the MIC or portfolio results screen immediately following the FHA Case number. Acceptable format is: XXX.                      |
| <b>Item 4</b> | <b>Default Reason Code (Same as Conveyance)</b><br>Enter the applicable code number from the default reasons listed below. If code 15 is used, explain the reason under "Mortgagee's Comments."  |

## Appendix A

Default Reason Code	<i>Cause of Default</i>	<b>Guidance For Usage: Use selected code to indicate that. . .</b>
01	Death of Principal Mortgagor	The delinquency is attributable to the death of the principal mortgagor.
02	Illness of Principal Mortgagor	The delinquency is attributable to a prolonged illness that keeps the principal mortgagor from working and generating income.
03	Illness of Mortgagor's Family Member	The delinquency is attributable to the principal borrower having incurred extraordinary expenses as the result of the illness of a family member (or having taken on the sole responsibility for repayment of the mortgage debt as the result of the co-mortgagor's illness).
04	Death of Mortgagor's Family Member	The delinquency is attributable to the principal borrower having incurred extraordinary expenses as the result of the death of a family member (or having taken on the sole responsibility for repayment of the mortgage debt as the result of the co-mortgagor's death).
05	Marital Difficulties	The delinquency is attributable to problems associated with a separation or divorce, such as a dispute over ownership of the property, a decision not to make payments until the divorce settlement is finalized, a reduction in the income to repay the mortgage debt, etc.
06	Curtailment of Income	The delinquency is attributable to a reduction in the mortgagor's income, such as a garnishment of wages, a change to a lower paying job, reduced commissions or overtime pay, loss of a part-time job, etc.
07	Excessive Obligations - Same Income, Including Habitual Nonpayment of Debts	The delinquency is attributable to the mortgagor(s) having incurred excessive debts(either in a single instance or as a matter of habit) that prevent him or her from making payments on both those debts and the mortgage debt.
08	Abandonment of Property	The delinquency is attributable to the mortgagor(s) having abandoned the property for reason(s) that are not known by the servicer (because the servicer has not been able to locate the mortgagor).
09	Distant Employment Transfer	The delinquency is attributable to the principal mortgagor being transferred or relocated to a distant job location and incurring additional expenses for moving and housing in the new location, which affects his or her ability to pay both those expenses and the mortgage debt.

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Default Reason Code	<i>Cause of Default</i>	<b>Guidance For Usage: Use selected code to indicate that. . .</b>
11	Property Problem	The delinquency is attributable to the condition of the improvements of the property (substandard construction, expensive and extensive repairs needed, etc) that defers funds that would have been available for the mortgage payment; mortgagor's dissatisfaction with the property or neighborhood.
12	Inability to Sell Property	Following an employment related transfer.
13	Inability to Rent Property	Delinquency is attributable to mortgagor needing rental income to make the mortgage payments and having difficulty in finding a tenant following an employment related transfer.
14	Military Service	The delinquency is attributable to the principal mortgagor having entered active duty status and his or her military pay not being sufficient to enable the continued payment of the existing mortgage debt.
15	Other	Should be rarely used - additional reason codes at the request of the industry have been added; indicates that the delinquency is attributable to reasons that are not otherwise included in the list.
16	Unemployment	The delinquency is attributable to a reduction in income resulting from the principal mortgagor having lost his or her job.
17	Business Failure	The delinquency is attributable to a self-employed principal mortgagor having a reduction in income and/or excessive obligations that are the direct result of the failure of his or her business to remain a viable entity or, at least, to generate sufficient profit that the borrower can rely on to meet his or her personal obligations.
19	Casualty Loss	The delinquency is attributable to the mortgagor having incurred a sudden, unexpected property loss as the result of an accident, fire, storm, theft, earthquake, etc.
22	Energy-Environment Cost	All other factors remained the same, but sharp increase in utility cost(s) deferred funds that would have been available for the mortgage payment or costs associated with the removal of environmental hazards in, or near the property.

## Appendix A

Default Reason Code	<i>Cause of Default</i>	<b>Guidance For Usage: Use selected code to indicate that. . .</b>
23	Servicing Problems	The delinquency is attributable to the mortgagor being dissatisfied with the way the mortgage servicer is servicing the loan or with the fact that the servicing of the loan has been transferred to a new mortgage servicer.
26	Payment Adjustment	Delinquency began after either increase in P&I for ARM mortgage or after escrow analysis where one or more escrow item increased, including the spreading of the amount needed to repay an escrow shortage over the next year.
27	Payment Dispute	The delinquency is attributable to a disagreement between the mortgagor and the mortgage servicer about the amount of the mortgage payment, the acceptance of a partial payment, or the application of previous payments that results in the mortgagor's refusal to make the payment(s) until the dispute is resolved.
29	Transfer of Ownership Pending	The delinquency is attributable to the mortgagor having agreed to sell the property and deciding not to make any additional payments.
30	Fraud	The delinquency is attributable to a legal dispute arising out of a fraudulent or illegal action that occurred in connection with the origination of the mortgage (or later).
31	Unable to Contact Borrower	Presently, an acceptable code for 30 and 60 day delinquencies where contact with the mortgagor has not yielded a response; Should be used rarely for any 90 day or more delinquency. Indicates that the reason for delinquency cannot be ascertained because the mortgagor cannot be located or has not responded to the servicer's inquiries.
INC	Incarceration	The delinquency is attributable to the principal mortgagor having been jailed or imprisoned (regardless or whether he or she is still incarcerated).

**Item 5**

**Endorsement Date**

Enter the endorsement date that appears on the Mortgage Insurance Certificate or obtain the date from the FHA Connection.

**Item 6**

**Date Form Prepared**

## Appendix A

Enter the date this form is prepared. To avoid debenture interest curtailment, both Parts A & B must be accurate and received within 30 days after the date of the pre-foreclosure sale closing.

- Item 7 Due Date of First Payment to Principal and Interest**  
Enter the date the first payment to Principal and Interest is due. Obtain this date from the mortgage or mortgage note.
- Item 8 Due Dates of Last Complete Installment Paid**  
Enter the date the last complete installment paid was due, not the date it was paid. This item should be taken from the payment ledger. If no payments have been made, enter the same date that was entered in Item 7 (Due Date of the First Payment to Principal and Interest). Note that the date in this item will always be the first of the month.
- Item 9 Date of Possession and Acquisition of Marketable Title**  
Enter the date the Approval to Participate was executed.
- Item 10 Date Deed or Assignment Filed for Record or Date of Closing or Appraisal**  
Enter the date of the pre-foreclosure sale closing.
- Item 11 Date Foreclosure Proceedings (a) Instituted or (b) Date of Deed In Lieu**  
If foreclosure proceedings were instituted, enter the date.
- NOTE: If a deed-in-lieu is accepted or if a foreclosure was completed, the claim must be filed as a conveyance.
- If there are multiple foreclosure starts due to bankruptcy interrupts, enter the institution date of the **last** foreclosure action. Use Item 19 for an extension of time, if appropriate.
- Item 12 Holding Mortgagee Number (Payee)**  
Enter the complete 10-digit mortgagee number of the holding mortgagee.
- Note: The holding mortgagee number must agree with the mortgagee number of the holder contained in HUD's Single Family Insurance System (SFIS.) If this number is different, the mortgagee must take corrective action to resolve the discrepancy in HUD's records.**
- Item 13 Servicing Mortgagee Number**

Enter the complete 10-digit mortgagee number of the servicing mortgagee.

**Note: The servicing mortgagee number must agree with the servicer number contained in HUD's Single Family Insurance System (SFIS.) If this number is different, the servicer must take corrective action to resolve the discrepancy in HUD's records.**

- Item 14 Mortgagee Reference Number**  
Enter the loan number (maximum 15 digits) used by the mortgagee for identifying the case, if any. This number will be included in the payment addendum for identification purposes.
- Item 15 Mortgage Amount**  
Enter the original or modified mortgage amount. This figure should be taken from the mortgage note. If there has been a modification of the mortgage, make a notation of the modification on Part A under "Mortgagee's Comments" and make reference to 24 CFR 203.342.
- Item 16 Holding Mortgagee EIN**  
Not applicable
- Item 17 Unpaid Loan Balance as of Date in Item 8**  
Enter the unpaid principal balance after crediting the last complete monthly installment paid. This figure is taken from the mortgagee's payment records. **Partial payments, insufficient to complete a full monthly installment are to be reported in Part B, Item 109 as escrow funds.**
- Item 18 Date of Firm Commitment**  
Enter the date of the firm commitment. This date should be taken from the firm commitment document, if available. If the case was insured under the Direct Endorsement Program or the commitment date is not available, this item must be left blank. Direct endorsement mortgages may be identified by the suffix code 700 through 799. Do not enter a date here if this is a direct endorsement or a converted coinsurance loan.
- Item 19 Expiration Date of Extension to Foreclose/Assign**  
Enter the expiration date of the approved extension, if applicable.
- Item 20 Date of Notice/Extension to Convey**  
Enter date of approved extension to submit claim.

- Item 21**      **Date of Release of Bankruptcy, If Applicable**  
Enter the date the bankruptcy stay or the local law prohibition was released.
- Note: When there is more than one bankruptcy, and the mortgagee is entitled to a 90-day extension to begin foreclosure, enter the bankruptcy release date to which the extension applies.**
- Item 22**      **Is Property Vacant?**  
Indicate the occupancy status as of the date in Item 9.
- Item 23**      **If item 22 is No, Date of local HUD Office Approval.**  
Not applicable
- Item 24**      **Is Property Conveyed Damaged?**  
Not applicable
- Item 25**      **If Item 24 is Yes, Date of:**  
Not applicable.
- Item 26**      **Type of Damage**  
Not applicable.
- Item 27**      **Recovery or Estimate of Damage**  
Not applicable.
- Item 28**      **Is Mortgagee Successful Bidder?**  
Not applicable.
- Item 29**      **Deficiency Judgment Code**  
Not applicable.
- Item 30**      **Authorized Bid Amount**  
Enter the Fair Market Value of the Appraisal as prepared by an appraiser on the FHA roster.
- Item 31**      **Mortgagee Reported Curtailment Date**  
Not applicable
- Item 32**      **Schedule of Tax Information**  
Not applicable.
- Item 33**      **Mortgagor's Name, Social Security Number and Property Address**  
Enter the name of the mortgagor in default as it appears on the ledger record.

Enter the property address as it appears on the security instrument or the mortgage insurance certificate.

Enter the social security numbers of all mortgagors, if known. At least one social security number is required.

- Item 34**      **Brief Legal Description of Property**  
Enter a brief description of the property. This information is found on the mortgage.
- Item 35**      **Name and Address of Mortgagee**  
Enter the name and address of the mortgagee, including the ZIP code.
- Item 36**      **Names and Address of Mortgagee's Servicer**  
Enter the name and address of the mortgagee's servicer, including the ZIP code, if applicable. Include the name and telephone number of a contact person who can answer questions about the claim.
- Items 37**      **Mortgagee Official Signature, Date and Title**  
**Claims submitted via either the FHA Connection or EDI constitute certification that the statements and information contained on the claim are true and correct.**  
Paper Claims- The claim must be signed and dated by an official of the holding mortgagee if the holding mortgagee is filing the claim. If a servicer is filing the claim on behalf of the mortgagee, an official of the servicer must sign and date the form. The application must be complete when signed and the signing official must enter the actual date signed. The application will be returned if it is not signed or if it contains a stamped, illegible or duplicated signature.
- Item 38**      **Servicer Signature, Date and Title**  
**Claims submitted via either the FHA Connection or EDI constitute certification that the statements and information contained on the claim are true and correct.**  
Note to signing official: Please be sure you have read and understand the certifications on the Form HUD-27011 before signing and dating. If your system prints the date in Items 37 and 38, check to ensure this is the date you are signing the form. Also check the submission date in item 6 to ensure it does not reflect an earlier date. The date in item 6 should be the same date as item 37 or item 38.
- Item 39**      **Amount of Monthly Payment to:**  
Not applicable.

- Item 40**      **If Bankruptcy Filed, Enter Date Filed**  
Enter the date of the last filing of the last bankruptcy action. This is required if Item 21 is completed.
- Item 41**      **If Conveyed/Assigned Damaged, Date Damage Occurred**  
Not applicable.
- Item 42**      **Date HIP Canceled or Refused, if Applicable**  
Not applicable.
- Item 43**      **Number of Living Units**  
Not applicable.
- Item 44**      **Status of Living Units**  
Not applicable.
- Item 45**      **Modified Interest Rate**  
Enter the interest rate from the modified mortgage, if applicable.
- Item 46**      **New Maturity Date**  
Enter the maturity date from the modified mortgage, if applicable.
- Item 47**      **Interest Rate (Prior to Modification)**  
Enter the interest rate from the note prior to modification, if applicable.

**Mortgagee's Comments, If Any**  
Use this area to justify unusual circumstances as well as other information required by the instructions.

**HUD's Comments, if any**  
HUD USE ONLY.

**B. Instructions for Completing Form HUD-27011, Part B, Fiscal Data**

The following item-by-item instructions are to be used when completing HUD Form 27011, Part B, for Pre-foreclosure sales cases. Prepare this Part after Parts C, D and E have been completed. The information entered in this part is transferred from those parts.

**PART B**

**FISCAL DATA**

- Item 100**      **Mortgagor's Name and Property Address**  
Enter the mortgagor's name and property address as they appear in Item 33 of Part A.
- Item 101**      **FHA Case Number**  
Enter the FHA Case Number as it appears in Item 2 of Part A.
- Item 102**      **Section of Act Code**  
Enter the Section of the Act Code as it appears in Item 3 of Part A.
- Item 103**      **Mortgagee's Reference Number**  
Enter the mortgagee's Reference Number as it appears in Item 14 of Part A.
- Item 104**      **Date Form Prepared**  
Enter the date Parts A and B are prepared.
- Item 105**      **Expiration Date to Submit Title Evidence, if Applicable**  
Not applicable.
- Item 106**      **Check if Supplemental**  
Not applicable.
- Item 107**      **Adjustment to Loan Balance (if different from Item 17, on Part A)**  
Not applicable.
- Item 108**      **Sale/Bid Price or Appraisal Value (for Coinsurance or Nonconveyances)**  
Enter the amount of the net proceeds received from the Closing Agent. This is usually listed on line 504 of the HUD-1 as "payoff of the first mortgage loan". It is the amount received by the mortgagee to apply against the mortgage balance.
- Item 109**      **Escrow Balance (as of Date in Item 10, Part A)**  
Enter amount remaining in escrow account as of the date of the pre-foreclosure sale closing. Also include any funds received by the mortgagee on mortgage which have not been applied to reduce the indebtedness, e.g., partial payments, hazard insurance refunds, buy down monies, funds held in escrow for on-site repairs (pursuant to Form HUD-92300, Assurance of Completion Agreement.) Do not include rents received; they are entered below in Item 115.

**Appendix A**

DO NOT SEND ESCROW FUNDS TO HUD. (CONFIRM IF THE ESCROW BALANCE WAS INCLUDED IN THE FUNDS RETAINED TO SATISFY THE MORTGAGE.)

See Item 123 for unapplied Section 235 assistance payments.

Payment of expenses for which funds are escrowed shall be charged to the escrow account in full or in part until the escrow account balance equals zero. Do not record expenses paid from available escrow funds on Part D.

DO NOT ENTER A NEGATIVE BALANCE.

Advances by the mortgagee for expense payments normally charged to the escrow account and still outstanding shall be recorded under Part D, Items 305 or 311, as appropriate. When the first occurrence of an expense results in a negative balance to escrow, enter the amount of the shortfall and any other approved expenses in Item 305 or 311, whichever is appropriate.

Interest on advances shall be computed from the date of disbursement to the date the claim is mailed. If there were any advances from escrow prior to the date of default, interest is calculated from the date of default.

Illustration of Mortgagee Advances:

Date Due	Date Paid	Interest	Principal	Escrow	Escrow Balance
Balance	Forward	.....	.....		\$151.60
1/01/03	2/03/03	\$73.32	\$21.07	\$70.69	222.29
	8/03/03			198.98-	23.31
	12/11/03			\$51.19-	(27.88) <sup>1</sup>

**Item 110 Total Disbursements for Protection and Preservation (from Line 264, Part C)**

Enter the total amounts appearing in Part C, Item 264.

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<sup>1</sup> First amount to be entered on Part D, Item 305 or 311, as applicable. Interest should be calculated only on \$27.88, not \$51.19

## Appendix A

- Item 111 Total Disbursements (from Line 305, Part D)**  
Enter the total amounts appearing in Part D, Item 305.
- Item 112 Attorney/Trustee Fees Paid (from Line 306, Part D)**  
Enter the total amounts appearing in Part D, Item 306.
- Item 113 Foreclosure, Acquisition, Conveyance, and Other Costs (from Line 307, Part D)**  
Enter the total amounts appearing in Part D, Item 307.
- Item 114 Bankruptcy Fee (if applicable) (from Line 310, Part D)**  
Enter the amounts of bankruptcy fees appearing in Part D, Item 310.
- Item 115 Rental Income**  
Enter any income from the rent of the property between the date of default and the date of the Pre-foreclosure Sale closing.
- Item 116 Rental Expense**  
Enter rental expenses incurred, if any. If there is no entry in Item 115, make no entry in this item.
- Item 117 Total Taxes on Deed (from Line 308, Part D)**  
Not applicable.
- Item 118 Recovery or Damage (if not reported on Part A.) (Use Line 119 if Reported on Part A)**  
Not applicable.
- Item 119 Estimate or Recovery From Part A**  
Not applicable.
- Item 120 Special Assessments (DO NOT USE FOR COINSURANCE) (from Line 309, Part D)**  
Enter the total amounts appearing in Part D, Item 309.
- Item 121 Mortgage Note Interest**  
Mortgage note interest will be included in the insurance benefits if a mortgagor fails to meet the requirements of a special forbearance agreement and the failure continues for at least 60 calendar days.

**From**

## Appendix A

Enter the due date of the last completely paid installment after all funds received under the agreement are applied according to the terms of the mortgage (same as Item 8, Part A.) If no mortgage payments were made, enter a date one month prior to the due date of the first scheduled payment (same as Item 7, Part A.)

### To

Enter the earliest of the following dates:

1. The date of sales closing (same as Item 10, Part A).
2. Ninety (90) calendar days following the date the mortgagor fails to meet the requirements of the forbearance agreement.
3. The date the mortgagee accepts the mortgagor as a participant in the Pre-foreclosure Sale Program as documented in the HUD 90045, Approval to Participate (same as Item 9, Part A).

### Rate

Enter the mortgage interest rate as it appears on the mortgage note. Show fractions in decimals to three places.

### Computation Method

To obtain the amount of accrued mortgage interest due, multiply the Daily Interest Rate Factor by the amount of the unpaid principal balance. The Daily Interest Rate Factor is provided in Appendix 8 of HUD Handbook 4330.4. This result is then multiplied by the number of days from the due date of the last completely paid installment to the date selected as the "ending date" (the "To" date as defined above.) To assist in determining the number of days, refer to the Julian Date Calendars provided in Appendix 9 of HUD Handbook 4330.4.

**Item 122**      **Mortgage Insurance Premiums**  
Enter total from Item 311, Part D.

**Item 123**      **Unapplied Section 235 Assistance Payments**  
Enter unapplied assistance payments in Column A, if applicable.

**Item 124**      **Overpaid Section 235 Assistance Payment**  
Enter the amount of any funds advanced by the mortgagee to repay HUD for assistance to which the mortgagor was not entitled and which was not recovered from the mortgagor, unless the overpayment was the result of error on the part of the mortgagee. Amount is to be entered in

## Appendix A

Column B. Do not calculate debenture interest for Column C.

- Item 125**      **Overhead Cost (From Line 405, Part E)**  
Not applicable.
- Item 126**      **Uncollected Interest (Approved Forbearance Agreements Only)**  
Not applicable.
- Item 127**      **Amount Due from Buyer at Closing or at Appraisal Notice Date (from Line 406, Part E)**  
Not applicable.
- Item 128**      **Amount Owed to Buyer at Closing or at Appraisal Notice Date (from Line 407, Part E)**  
Not applicable.
- Item 129**      **Additional Closing Costs (from Line 408, Part E)**  
Enter the "Total" from Line 408, Part E.
- NOTE: Do not calculate debenture interest on the administrative fee. Mortgagees are not entitled to debenture interest on this item.**
- Item 130**      **Appraisal Fee (from Line 409, Part E)**  
Enter the "Total" from Line 409, Part E in column B. Use Column C to claim debenture interest from the date of expenditure to date in Item 6, Part A.
- Item 131**      **Deficiency Judgment Costs/Fees (from Line 410, Part E)**  
Not Applicable
- Item 132**      **Reserved**
- Item 133**      **Contact Name and Telephone Number: Holding Mortgagee or Contact Name and Telephone Number: Servicing Mortgagee**  
Enter the name and telephone number of a person in the holding or servicing mortgagee's office who can answer questions concerning the information reported on this claim form. Include the Holding Mortgagee number that was entered in Item 12 of Part A.
- Item 134 through Item 136**      Enter the totals of Columns A - Deductions; B - Additions; and C - Interest.

**Item 137 Net Claim Amount (Columns B – A + C)**  
For EDI and paper claim submissions, calculate and enter the “net claim” amount. For FHAC submissions, leave blank. The net claim amount calculated by the mortgagee will differ from the actual amount HUD will pay due to possible interest curtailment, disallowed expenses, and additional debenture interest calculated to the date of claim settlement.

**Item 138 Mortgagee Official Signature, Date and Title**  
**and/or**

**Item 139 Servicer Signature, Date and Title**  
Enter a signature and title with the date signed in at least one of these blocks if a paper claim. Claims submitted via either EDI or FHAC constitute certification that the statements and information contained in the claim are true and correct.

**Instructions for Completing Form HUD-27011, Part C, Support Documentation. Mortgagee should not submit Part C, Support Documentation, to HUD. Documentation must be retained in the claim file.**

There should be no entry in Part C unless inspections, preservation or protection costs were incurred before the mortgagee delayed or postponed the foreclosure sale.

Any debenture interest calculated on such expenses should run from the date of expenditure or default, if later, to the date of the Pre-foreclosure Sale closing.

**Instructions for Completing Form HUD-27011, Part D, Support Documentation (Continuation 1). Mortgagees should not submit Part D, Support Documentation (Continuation 1), to HUD. Documentation must be retained in the claim file**

The following item-by-item instructions are to be used when completing Form HUD-27011, Part D, for pre-foreclosure sale claims. The general instructions for the preparation of Part D in conveyance claims are applicable in pre-foreclosure sale cases except that the property is not conveyed to the Secretary.

Expenditures may be entered on Part D as they occur. However, debenture interest calculations should not be made until the date of claim submission because interest allowance will be computed from the date of

expenditure or default if later, to the date of the pre-foreclosure sale closing.

- **Date Paid**  
A separate entry must be made for each payment. Enter the date the funds were disbursed. If an expenditure or advance was made prior to the date of default, enter the date of default and enter the actual date paid in parentheses following the description.
- **Description of Service Performed**  
Enter a description of the items or types of services performed. Additional space is provided on the reverse of the paper form.
- **Amount Paid**  
Actual payment amounts are to be entered. This information will be transferred to Part B, Fiscal Data.
- **Debenture Interest**  
To obtain the amount of interest due on an expenditure, multiply the daily interest rate factor by the amount paid. Multiply this result by the number of days from the date in the "Date Paid" column for each line item to the date of closing of the pre-foreclosure sale (Item 10, Part A.) Daily Interest Rate Factor tables are provided in HUD Handbook 4330.4 Appendix 8 to assist in converting the debenture interest rates. In addition, Julian date calendars are provided in Appendix 9 of the Handbook to assist in determining the number of days from the date the expenditure was paid to the date of the Pre-foreclosure Sale closing or the curtailment date.
- Total the "Amount Paid" and "Debenture Interest" columns.

**PART D**  
**SUPPORT DOCUMENT (Continuation 1)**

- Item 300**      **FHA Case Number**  
Enter the case number as it appears in Item 2 of Part A.
- Item 301**      **Section of Act Code**  
Enter the Section of the Act Code as it appears in Item 3 of Part A.
- Item 302**      **Mortgagee's Reference Number**  
Enter the mortgagee's reference number as it appears in Item 14 of Part A.
- Item 303**      **Debenture Interest Rate**  
The Debenture Interest Rate Table is provided on the WEB at [www.hud.gov/offices/hsg/comp/debnrate.cfm](http://www.hud.gov/offices/hsg/comp/debnrate.cfm). **For**

**mortgages endorsed for FHA Insurance prior to January 24, 2004**, determine the rate at the date of firm commitment and the rate at the date of endorsement, and then enter the higher rate. In Direct Endorsement cases, enter the rate in effect on the date of endorsement.

**For mortgages endorsed for FHA insurance after January 23, 2004**, enter the debenture rate in effect at the time of the mortgage default, **not** the rate in effect at the time of mortgage origination.

**Item 304**

**Date**

If all actions taken by the mortgagee are within the time requirements or the extensions allowed in this Mortgagee Letter, enter the date entered in Part B, Item 104. If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. If there was more than one failure, enter the earliest date on which a required action should have been taken.

**Item 305**

**Disbursements for HIP, Taxes, Ground Rents and Water Rates (which were liens prior to mortgage), Eviction Costs, and Other Disbursements Not Shown Elsewhere. (Do not include penalties for late payment.) Only costs incurred between the dates in Items 8 and 10 of Part A are allowed.**

Itemize all disbursements in these categories including for each item the date paid, **the period covered**, the description, and the amount paid. Do not include any penalties for late payment. Enter the costs of title search and other fees related to the pre-foreclosure sale. Do not include disbursements that were paid from available escrow funds or deducted from sale proceeds on the HUD-1. No expense should be incurred after the date of sale closing, except with HUD approval, which must be fully documented in the Claim file. See explanation for escrow account, Part B, Item 109.

**Item 306**

**Attorney/Trustee Fee**

Itemize the fees paid to attorneys in connection with the initiation of foreclosure action, if any. Do not enter fees for bankruptcy or eviction. HUD WILL CALCULATE THE 67% OR 75% ALLOWANCE (24 CFR 203.402.) For loans endorsed prior to February 1, 1998, the reimbursement will be at two-thirds of the costs.

**Item 307 Foreclosures and/or Acquisition Conveyance and Other Costs**

Enter all disbursements required to vest title to the property in the name of the purchaser. If additional space is needed, attach a separate sheet to Part D. HUD WILL CALCULATE THE 67% OR 75% ALLOWANCE FOR EXPENSES AND INTEREST (24 CFR 203.402.) For loans endorsed prior to February 1, 1998, the reimbursement will be at two-thirds of the costs.

**Item 308 Taxes on Deed**

Not applicable.

**Item 309 Special Assessments (Do not use for Coinsurance, see Part E)**

For each item in this category, enter the date the lien was attached or would be attached. Do not include any special assessments that became liens before the mortgage was endorsed for insurance, if not noted in the application for insurance. Enter disbursements made, to the extent not deducted from Sales Proceeds on the HUD-1, for the release or satisfaction of junior liens.

**Item 310 Bankruptcy**

Itemize the bankruptcy fees paid. There must be an entry in Item 40. HUD WILL CALCULATE THE 67% OR 75% ALLOWANCE FOR EXPENSES AND INTEREST (24 CFR 203.402.) For loans endorsed prior to February 1, 1998, the reimbursement will be at two-thirds of the bankruptcy fees.

**Item 311 Mortgage Insurance Premiums**

Itemize all MIP disbursements, including the period covered. Include only the "advanced" MIP disbursements paid after the due date of the last completely paid installment to the date of closing.

**Instructions for Completing Form HUD-27011, Part E Support Document (Continuation 2)**

Part E is to be completed for a pre-foreclosure sale claim only to claim the \$1,000 administrative fee for each successful pre-foreclosure sale and, if paid by the mortgagee, the actual cost incurred for the appraisal.

**PART E  
SUPPORT DOCUMENT (Continuation 2)**

**Item 400 FHA Case Number**

Enter the case number as it appears in Item 2 of Part A.

- Item 401 Section of Act Code**  
Enter the Section of the Act Code as it appears in Item 3 of Part A.
- Item 402 Mortgagee's Reference Number**  
Enter the mortgagee's reference number as it appears in Item 14 of Part A.
- Item 403 Debenture Interest Rate**  
Not applicable.
- Item 404 Date**  
Enter the date entered in Item 104, Part B.
- Item 405 Overhead Costs**  
Not applicable.
- Item 406 Amounts Due from Buyer at Closing or at Appraisal Notice Date for:**  
Not applicable.
- Item 407 Amounts Owed to Buyer at Closing or at Appraisal Notice Date for:**  
Not applicable.
- Item 408 Additional Closing Costs**  
Enter the \$1000 administrative fee payable to the mortgagee for facilitating a successful pre-foreclosure sale. (Carry over to Part B, Item 129.)
- Item 409 Appraisal Fee**  
Enter the cost of the appraisal/property valuation performed to determine the eligibility of the mortgagor to participate in the Pre-foreclosure Sale Program, if paid for by the mortgagee. (Carry over to Part B, Item 130.)
- Item 410 Deficiency Judgment Costs/Fees**  
Not applicable.
- Item 411 Reserved**
- Item 412 Reserved**