

March 18, 2013

HECM Business Partners:

**Current Requirement:** Currently, HECM Mortgagees have a grace period of 6 months from go-live of HERMIT system (10/9/2012) to enter historical property charges pre D&P transactions (effective date prior to 10/9/2012) in HERMIT without incurring late charges and interest. Mortgagees have been required to enter the historical property charges Pre D&P transactions prior to 04/9/2013, to avoid late charges and interest on these transactions. HERMIT system allows mortgagees to enter historical property charges Pre D&P transactions both manually and through B2G functionality.

**Update:** FHA has extended **the current 6 month grace period by 2 months.** With this extension, HECM Mortgagees must enter historical property charges pre D&P transactions (effective date prior to 10/9/2012) through 06/09/2013 in HERMIT system to **AVOID** incurring of late charges and interest.

This extension is applicable for transactions entered both manually or through B2G functionality.

Please refer to HERMIT User Guide Chapter 5 section 5.5.1.6 for detailed instructions to enter Property Charges Pre D&P transactions:

[http://portal.hud.gov/hudportal/documents/huddoc?id=hecm\\_hermit\\_ug\\_ch5.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=hecm_hermit_ug_ch5.pdf)

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