Home Equity Reverse Mortgage Information Technology

(HERMIT)

HERMIT System Changes – Release 3.8

Release Date: 08/02/2014

1. INTRODUCTION

The HECM SP has released version 3.8 of the HERMIT software which consists of Non-Borrowing Spouse (NBS) system changes per ML 2014-07.If you have any questions regarding the functionality of the software release, please contact the HERMIT Help Desk at 561-899-2610 or at support@hecmsp.com. If you have any policy related questions, please send an email to HUD at answers@hud.gov .

1.1 HERMIT SYSTEM CHANGES – Non Borrowing Spouse (ML 2014-07)

1.1.1 *Display of Non-Borrowing Spouse Indicator*

The HERMIT system will display Non-Borrowing Spouse indicator in the Loan Search screen. Upon selecting the indicator and clicking the search button, loans with Non-Borrowing spouses are displayed in the search results.

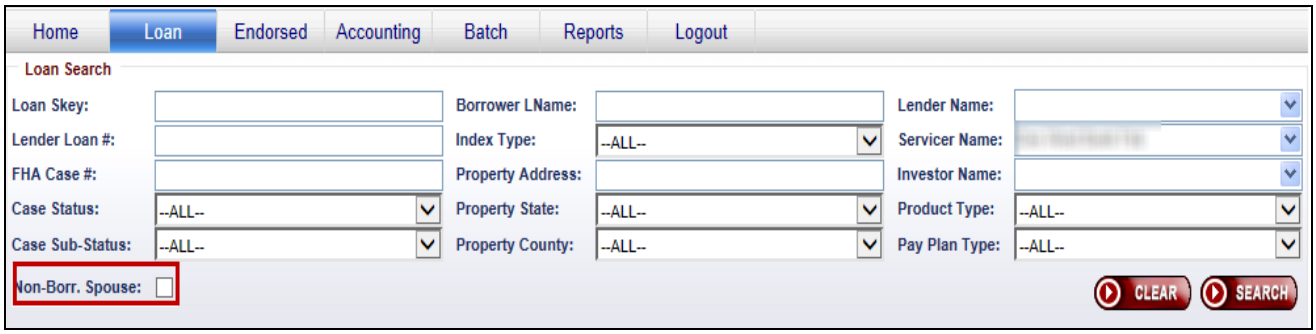

Figure 1: Loan Search Results displaying Non-Borr. Spouse indicator

1.1.2 *Calculation of Principal Limit Factor for Non-Borrowing Spouse*

The HERMIT system will use the new PLF table to determine the OPL on the loan for cases with a case assignment date >= 8/4/2014. The new PLF table can be found at the location below:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/hecmhomelenders

1.1.3 *Loans in Deferred Status*

If the last surviving borrower on the loan is deceased and the NBS is active, the HERMIT system will display the case as Deferred status with a Yes. If the Deferred status is "Yes", the sub status of the loan is Payment Suspended.

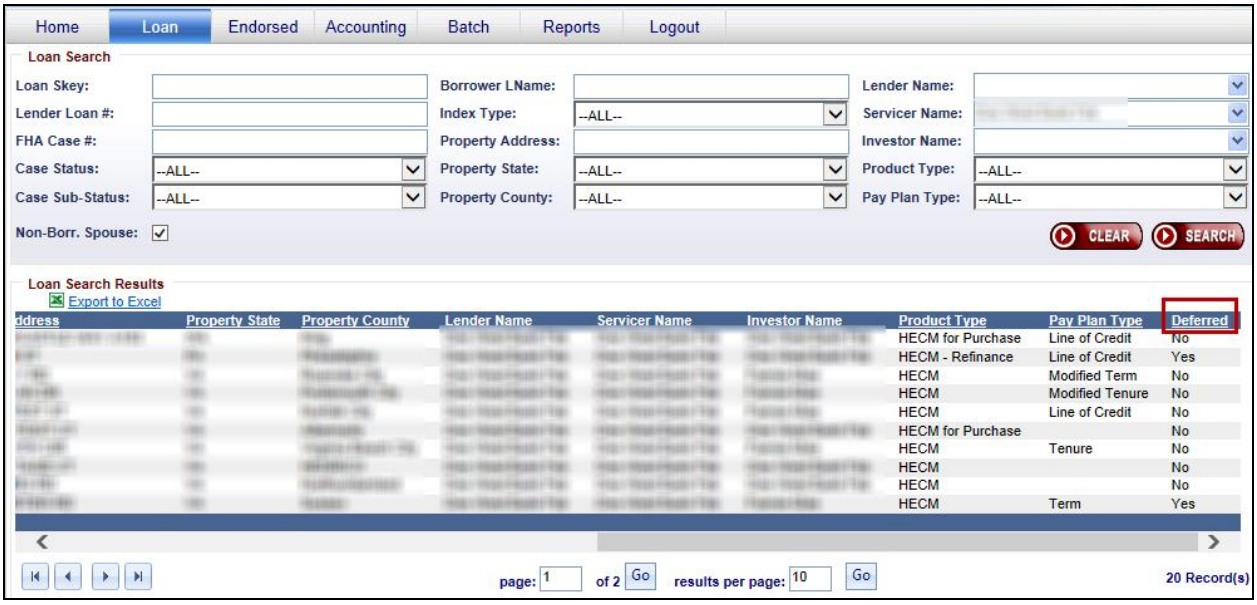

Figure 2: Deferred Status displayed in Loan Search Results

1.1.4 *Display of NBS indicator in the Loan Header Information*

The HERMIT system now displays the Non-Borrowing Spouse indicator in the Loan Header Information. The values populated for the NBS may be "Yes" or "No".

- If the Non-Borrowing Spouse is not available on the loan, NBS = No
- If the Non-Borrowing Spouse are deceased or deactivated, NBS = No
- If the Non-Borrowing Spouse are active on the loan, NBS = Yes

Figure 3: Non-Borrowing Spouse Indicator Displayed in Loan Header Information

1.1.5 *Display of Non-Borrowing Spouse in Contacts Screen*

The HERMIT system will display the NBS data in the Loan->Contacts screen similar to the Borrower/Co-Borrower contact types.

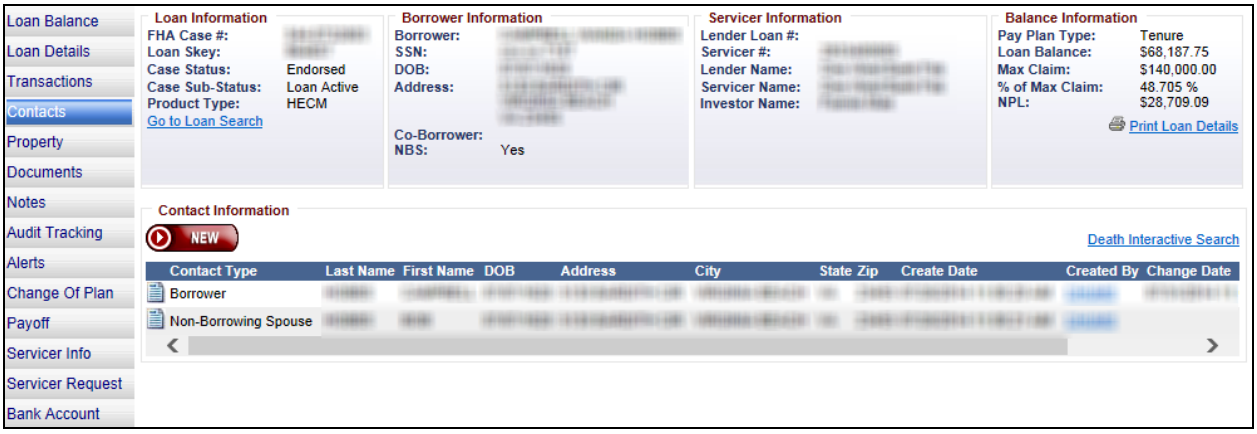

Figure 4: Non-Borrowing Spouse Information in Contacts Screen

1.1.6 *Disable/Deactivate Non-Borrowing Spouse*

The HERMIT system will allow for user to deactivate the NBS on the loan. To deactivate the NBS, see the steps below:-

- Select the icon beside the Non-Borrowing Spouse contact type in the Contacts screen
- Select the Deactive box in the Contact Info screen. Click Submit.

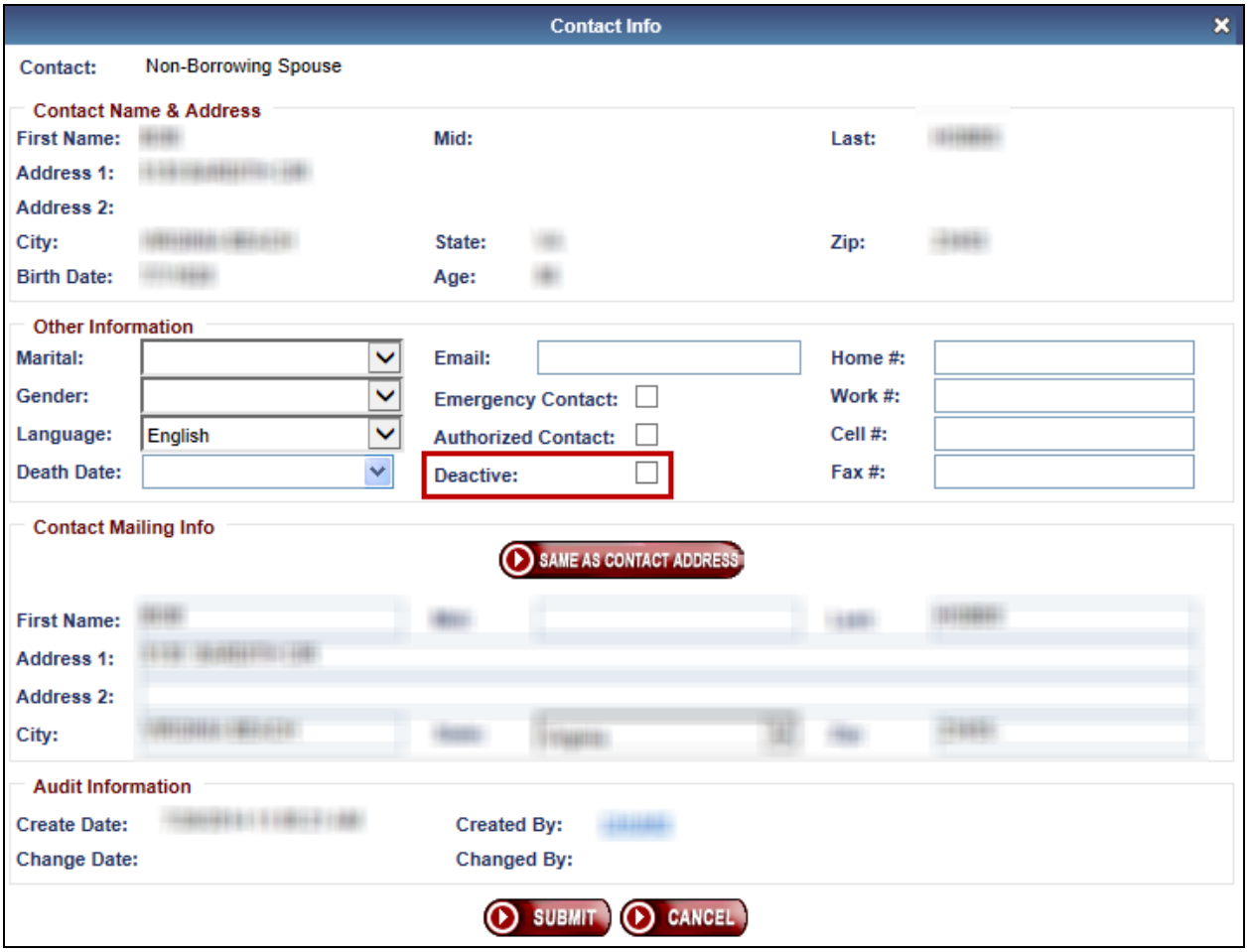

Figure 5: Deactivating a Non-Borrowing Spouse

1.1.7 *Due & Payable Rules with Active Non-Borrowing Spouse on the loan*

- The HERMIT system will NOT allow Mortgagee to initiate Due & Payable with HUD Approval or Due & Payable w/o HUD Approval timelines manually, if the NBS is available and active on the loan, even though the last surviving borrower is deceased.
- The HERMIT system will not automatically update the loan sub status to Due & Payable, if the NBS is active on the loan and the last surviving borrower is deceased.
- The HERMIT system will automatically update the loan sub status to Due & Payable, if all the NBS are deactivated and the last surviving borrower is deceased.
- The HERMIT system will populate the Due & Payable date on Block 29 of the HUD Form 27011 with the date the deferral period ends on the loan.