

**Home Equity Reverse Mortgage Information
Technology
(HERMIT)**

HERMIT System Changes – Release 4.2

**Release Date: 06/27/2015
Document Date: 06/29/2015**

June 2015

HERMIT SYSTEM CHANGES – RELEASE 4.2

1. INTRODUCTION

The Home Equity Conversion Mortgage Service Provider (HECM SP) has released version 4.2 of the Home Equity Reverse Mortgage Information Technology (HERMIT) software which consists of:

- Updates to support the Loss Mitigation for HECM 's in Default due to Unpaid Property Charges (Mortgagee Letter (ML) 2015-11),
- Lump Sum Payment Plan (ML 2013-27, 2014-11),
- Make Credit Option Mandatory at Loan Set Up,
- Pre Due & Payable (D&P) and Corp Advance transaction validation at the time of CT 22-Assignment Request,
- Increasing the maximum allowable values for certain fields relating to appraisals and sales on the Claim Type 21, 23, Loss Mitigation and Investor Short Sale timelines, and
- Allowing Servicers to adjust MIP, Interest and Service fee up to a certain limit established by HUD and opening up three fields MIP Rate, Funded Date & Round to 1/8th to make it editable in Endorsed status.

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.

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1.1 Loss Mitigation Property Charge - ML 2015-11

1.1.1 Entering Repayment Plan information

The HERMIT system will allow the Authorized Users to create new Repayment plans in Pending IMIP, Pending Endorsement, Endorsed and Assigned Case Status. The Repayment tab is available on the left bar menu of the loan between the 'Alerts' and 'Change of Plan' tabs. On clicking on New, the Repayment plan window opens up. Fields marked with an Asterik (*) must be entered. If 'Hardship Experienced' is selected, a text box will appear and the User will need to enter the 'Reason for Hardship'.

The screenshot shows a window titled "Repayment plan" with a close button (X) in the top right corner. The window contains a form with the following fields:

- Repayment Plan Details** (Section Header)
- Repayment Start Date:** A date picker field with a dropdown arrow.
- Repayment End Date:** A date picker field with a dropdown arrow.
- Repayment Plan Term (months):** A text input field with a value of "0" and an information icon (i).
- # of Remaining Payments:** A text input field with a value of "0" and an information icon (i).
- Hardship Experienced:** A checkbox that is currently unchecked.
- Monthly Surplus Income:** A text input field with a value of "\$0.00" and an asterisk (*) on the right.
- Outstanding Total Arrearage:** A text input field with a value of "\$0.00" and an asterisk (*) on the right.
- Monthly Payment Amount:** A text input field with a value of "\$0.00" and an asterisk (*) on the right.
- Next Monthly Due Date:** A date picker field with a dropdown arrow and an asterisk (*) on the right.

At the bottom of the window, there are two buttons: "OK" and "CANCEL", both with a right-pointing arrow icon.

Figure 1: Repayment Plan Screen

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1.1.2 Display of error messages when Creating a Repayment Plan

On entering the information for the Repayment plan, the following error messages will appear if the Repayment Plan End Date Entered is less than the Repayment Plan Start Date, the Next Monthly Payment Due Date is less than the Repayment Plan Start Date and the Reason for Experienced Hardship is not entered when selecting Hardship Experienced.

Please note that error messages are Hard stops and Warning messages are not in HERMIT.

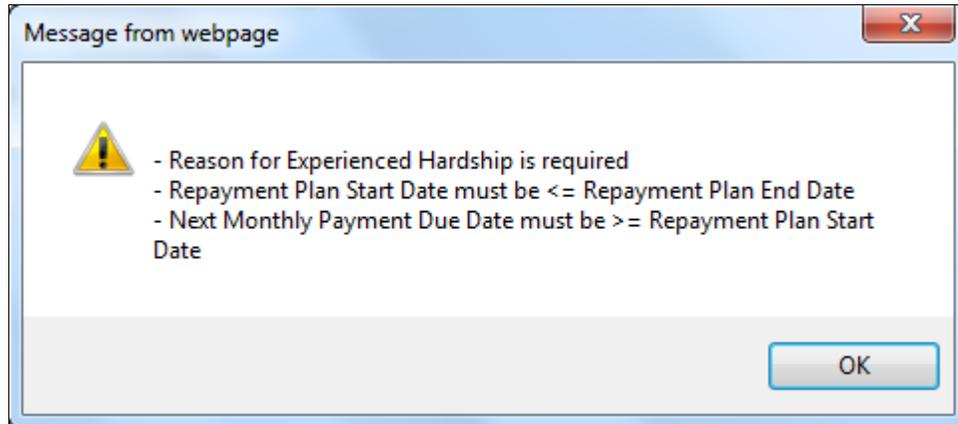


Figure 2: Error Messages on Submitting the Repayment Plan

1.1.3 Editing a Repayment Plan

Authorized Users can edit the Repayment plan by clicking on the edit button in the Repayment Plan section. The fields Monthly Surplus Income, Outstanding Total Arrearage, Monthly Payment Amount, and Repayment Plan Term (months) are NOT editable once the plan is created and submitted.

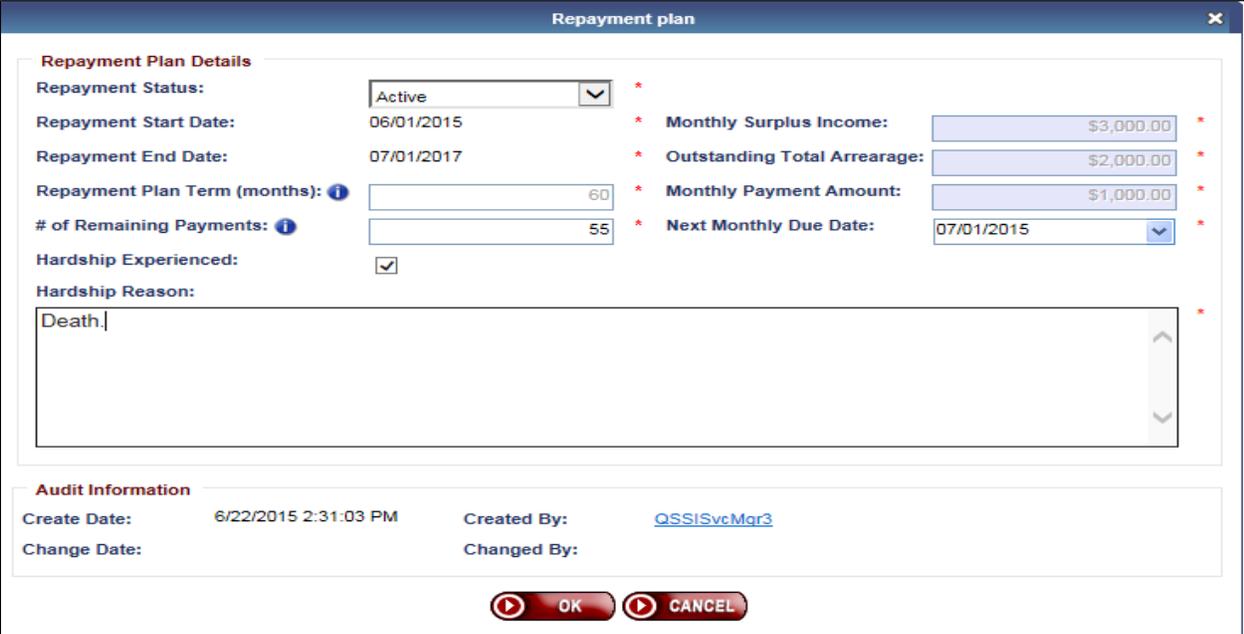


Figure 3: Editing a Repayment Plan

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1.1.4 *Display of error messages when Updating the Repayment Plan status to Complete*

The system will display error messages:

- If the User changes the Repayment status to Complete and the number of Remaining Payments is not zero or
- If the # of Remaining Payments is zero and the Repayment Status is not marked Complete.

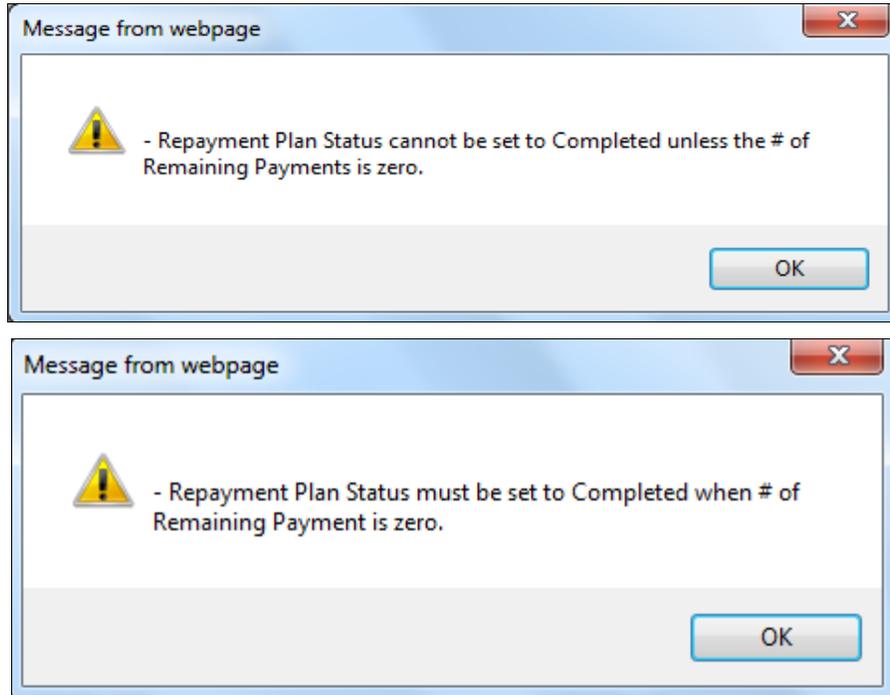


Figure 4: Error Messages When Submitting a Completed Repayment Plan

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1.1.5 Only one Active Repayment Plan

The User can have only one Active Repayment plan at any time. **If a User creates another Repayment plan, the system will automatically inactivate the previous Active plan.** The User can mark the plan as Inactive at any time. If a User Terminates a loan, the system automatically inactivates the Active Repayment plan.

The screenshot displays the Hermit System interface for a loan. The top navigation bar includes Home, Loan, Endorsed, Accounting, Batch, Reports, and Logout. The left sidebar contains various menu items like Loan Balance, Loan Details, Transactions, etc. The main content area is divided into several sections:

- Loan Information:** FHA Case #, Loan Skey, Case Status, Case Sub-Status, Product Type.
- Borrower Information:** Borrower, SSN, DOB, Address, Co-Borrower, NB, Deferred.
- Servicer Information:** Lender Loan #, Servicer #, Lender Name, Servicer Name, Investor Name.
- Balance Information:** Pay Plan Type, Line of Credit, Loan Balance, Max Claim, % of Max Claim, NPL.

The **Repayment Plans** section contains a table with the following data:

Repayment Status	Repayment Start Date	Repayment End Date	Next Monthly Due Date	Create Date	Created By
Current (Active)	06/01/2015	07/01/2017	06/02/2015	06/22/2015 02:31:03 PM	[User]
Inactive	06/10/2015	06/11/2015	06/15/2015	06/17/2015 04:35:51 PM	[User]
Inactive	06/02/2015	06/25/2015	07/02/2015	06/17/2015 04:46:21 PM	[User]

Below the table, the **Repayment Plan Details** section shows:

- Repayment Start Date: 6/1/2015
- Repayment End Date: 7/1/2017
- Next Monthly Due Date: 6/2/2015
- Repayment Term (months): 60
- # of Remaining Payments: 57
- Hardship Reason: Hardship required.

The **Audit Information** section shows:

- Create Date: 6/22/2015 2:31:03 PM
- Created By: [User]
- Change Date: [User]
- Changed By: [User]

Figure 5: One Active Repayment Plan Only

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1.2 Loan Balance Adjustments and Editing Three Fields

1.2.1 Adjusting MIP Amount, Interest Amount & Service Fee Balance Amount

Authorized Users will have edit capability to make changes to the MIP, Interest & Service Fee Balance amounts. HUD has established a threshold for these fields and an error message will be displayed if the user enters an amount greater than the threshold. **The change in MIP amount will result in an adjustment for a payable or receivable amount.** A transaction will be created in the Transaction→Loan section if the submission was successful.

Please note that the thresholds for the three fields are subject to change by HUD.

	Correct Amount	Current Amount	Adjustment Amount
Principal Amount:	\$78,110.78	\$78,110.78	\$0.00
Interest Amount:	\$35,000.00	\$27,394.19	\$7,605.81
MIP Amount:	\$6,000.00	\$4,872.46	\$1,127.54
Service Fee Amount:	\$5,000.00	\$4,230.00	\$770.00
Total:	\$124,110.78	\$114,607.43	\$9,503.35

Figure 6: Adjusting MIP, Interest & Service Fee Balance Amounts

- The entered Interest loan balance amount of \$7,605.81 exceeds the \$2,500.00 system threshold for Interest corrections. The Interest loan balance amount for this loan must \geq \$24,894.19 and \leq \$29,894.19
- The entered MIP loan balance amount of \$1,127.54 exceeds the \$500.00 system threshold for MIP corrections. The MIP loan balance amount for this loan must \geq \$4,372.46 and \leq \$5,372.46
- The entered Service Fee loan balance amount of \$770.00 exceeds the \$250.00 system threshold for Service Fee corrections. The Service Fee loan balance amount for this loan must \geq \$3,980.00 and \leq \$4,480.00

Figure 7: Error Messages When Submitting Amounts Greater Than Allowable Threshold

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal
06/22/2015	05/31/2015	1191	Accruals - Loan Balance Correction	\$0.00	\$605.81	\$127.54	\$70.00	

Figure 8: Successful Submission of MIP, Int & SFee

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1.2.2 Fields editable on Loan Details screen

The following three fields are now editable in the Loan Details → Edit Loan Rates section for loans with a case status of Endorsed. Existing edits on Funded Rate apply and fields marked with an Asterisk (*) need to be entered prior to submitting the information on the screen.

- MIP Rate
- Round to 1/8th
- Funded Date

The screenshot shows the 'Edit Loan Rates' form with the following fields and values:

Field	Value	Notes
Exp. Interest Rate:	5.680%	
MIP Rate:	0.500%	Red arrow pointing to the input field
Interest Rate At Closing:	2.630%	
Rate Type:	Monthly	
Index Type:	1-Year CMT	
Margin: (Range 0% - 5%)	1.500%	
Round to 1/8th:	<input type="checkbox"/>	Red arrow pointing to the checkbox
Credit Type:	[Dropdown]	Asterisk (*)
Monthly Service Fee:	\$30.00	
Previous Idx Rate / Int Rate:	0.270% / 1.770%	
Current Idx Rate / Int Rate:	0.270% / 1.770%	
Closing Date:	08/04/2003	Red arrow pointing to the date field
Funded Date:	08/14/2003	Red arrow pointing to the date field, Asterisk (*)
FHA Case # Assigned Date:		
Application Date:		
Exp. Rate Index Date:		
Exp. Rate Locked:	No	
First Payment Date:		
ARM First Change Date:	10/01/2003	Asterisk (*)
Basis Points (BPS):	0.000%	
Next Idx Rate / Int Rate:	0.260% / 1.760%	
Periodic Cap / Lifetime Cap:	% / 12.630%	

Buttons: SUBMIT, CANCEL

Figure 9: Three New Fields Editable in Endorsed Status

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1.3 Corp Advance & Pre D&P Transactions

1.3.1 *New edits for Corp Advance & Pre D&P Transactions*

The HERMIT system will display an error message if there are Corp Advances and/or Disb – Prop Chrg - Pre D&P – Taxes / Flood Ins / Condo Fees / Ground Rent / Hazard Ins / HOA Dues, at the time of assignment of the loan. There will be no error message if there is a Pre D&P – Other transaction on the loan. Servicers must enter the Corp Advance transactions against the Pre D&P – Other prior to successful assignment of the loan to HUD.

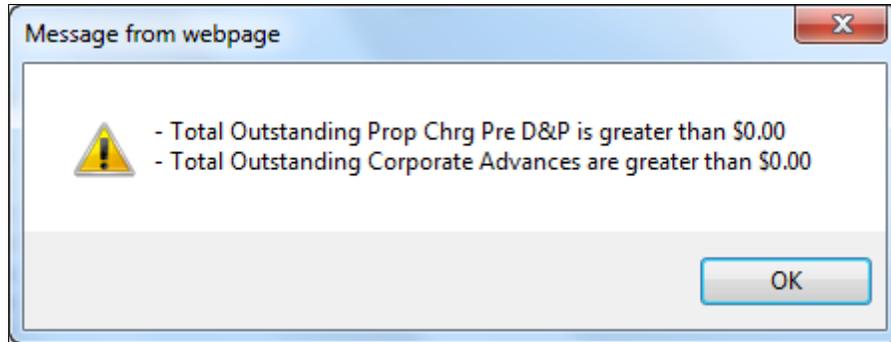


Figure 10: Error Messages on Initiating or Submitting a CT 22 Timeline

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1.4 Lump Sum Payment Option – ML 2013-27, 2014 -11

1.4.1 Display of Lump Sum option at Loan Set up

The Lump Sum payment option is available in the Pay Plan Type drop down at Loan Setup. Please note that a Partially Funded LESA type with Lump Sum payment option cannot be set up at Loan Set up in HERMIT. If one exists then a change needs to be sent from FHA connection to HERMIT for the loan to be a Fully Funded, Voluntary or Not Required LESA Type to set up the loan in HERMIT.

Loan Information			
Loan Key:	Borrower Name:	Create Date:	60% of OPL: \$33,109.00
FHA Case #:	Borrower SSN:	Lender Name:	IDL Amt: \$33,109.00
Product Type:	Borrower DOB:	Max Claim Amount:	Total MO Amt: \$5,522.00
Prior Case #: N/A	Property Address:	Property City, St. Zip:	MO Cash from Borrower: \$33,109.00
10% Usage Indicator:	10% Usage Amt: \$0.00	T&I First Yr. Payments: \$700.00	MO Cash From Lender: \$0.00

Rates Information Interest Rate at Closing: <input type="text"/> % * Exp. Interest Rate: <input type="text"/> % * Rate Type: <input type="text"/> * Index Type: <input type="text"/> * Lifetime Cap: <input type="text"/> % Periodic Cap: <input type="text"/> % Margin: <input type="text"/> % ARM First Change Date: <input type="text"/> * Credit Type: <input type="text"/> * Round to 1/8th: <input type="checkbox"/>	Loan Dates Closing Date: <input type="text"/> * Funded Date: <input type="text"/> * Application Date: <input type="text"/> * Exp. Rate Index Date: <input type="text"/> * Exp. Rate Locked: <input type="text"/> * Title Held As: <input type="text"/> *	Principal Limit Calculation Original Principal Limit: <input type="text" value="\$55,182.00"/> * IMIP Paid By Lender: <input type="text" value="\$0.00"/> * IMIP Paid By Borrower: <input type="text" value="\$0.00"/> * IMIP Financed: <input type="text" value="\$510.00"/> IMIP Total: <input type="text" value="\$510.00"/> + Closing Costs: <input type="text"/> + Discharge of Liens: <input type="text"/> + Loan Advance/Other Draws: <input type="text"/> + Loan Origination: <input type="text"/> = Total Loan Balance: <input type="text" value="\$510.00"/> * - Service Fee Set Aside: <input type="text"/> - Repair Set Aside: <input type="text"/> - First Year Set Aside: <input type="text"/> - Credit Line Set Aside: <input type="text"/> * - Life Expectancy Set Aside: <input type="text" value="\$6,859.35"/> = Net Principal Limit: <input type="text" value="\$47,812.65"/> * - Repair Admin Fee: <input type="text"/> - Net Available (First Yr.): <input type="text" value="\$31,899.00"/> *
Lender/Service/Investor Information Lender Loan #: <input type="text"/> Servicer/Sub-Servicer: <input type="text" value="One West Bank Fsb"/> * Investor: <input type="text"/> *	Pay Plan Pay Plan Type: <input type="text" value="Lump Sum"/> * Tax Ins Responsible Party: <input type="text"/> Pay Plan Term (in months): <input type="text"/> Monthly Payment Amount: <input type="text"/> - Monthly Tax & Ins. Withheld: <input type="text" value="\$0.00"/> = Net Monthly Payment: <input type="text" value="\$0.00"/> * First Payment Date: <input type="text"/> Monthly Service Fee: <input type="text"/> *	
Life Expectancy Set Aside (LESA) Life Expectancy Type: Fully Funded		

Figure 11: Display of Lump Sum at Loan Set Up

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1.4.2 Setting up Lump Sum at Loan Set Up

When a User selects a Lump Sum pay plan type, the Rate Type is automatically populated as Fixed and Credit Type as Closed-Ended. These cannot be changed.

The screenshot displays the 'Loan Set Up' interface. Key sections include:

- Loan Information:** Borrower Name, SSN, DOB, Address, and Lender Name.
- Rates Information:** Interest Rate at Closing (2.000%), Exp. Interest Rate (3.000%), Rate Type (Fixed), Index Type, Lifetime Cap, Periodic Cap, Margin, ARM First Change Date, Credit Type (Closed-Ended), and Round to 1/8th.
- Loan Dates:** Closing Date (06/02/2015), Funded Date (06/12/2015), Application Date, Exp. Rate Index Date, Exp. Rate Locked, and Title Held As.
- Pay Plan:** Pay Plan Type (Lump Sum), Tax Ins Responsible Party, Pay Plan Term, Monthly Payment Amount, Monthly Tax & Ins. Withheld, Net Monthly Payment (\$0.00), First Payment Date, and Monthly Service Fee.
- Principal Limit Calculation:** Original Principal Limit (\$54,672.00), IMIP Paid By Lender (\$0.00), IMIP Paid By Borrower (\$0.00), IMIP Financed (\$510.00), IMIP Total (\$510.00), Closing Costs, Discharge of Liens, Loan Advance/Other Draws, Loan Origination, Total Loan Balance (\$510.00), Service Fee Set Aside (\$0.00), Repair Set Aside, First Year Set Aside, Credit Line Set Aside, Life Expectancy Set Aside (\$6,859.35), Net Principal Limit (\$47,302.65), Repair Admin Fee, and Net Available (First Yr.) (\$31,899.00).
- Lender/Service/Investor Information:** Lender Loan #, Servicer/Sub-Servicer (One West Bank Fsb), and Investor.
- Life Expectancy Set Aside (LESA):** Fully Funded.
- Refund Request:** Refund Request checkbox.

Figure 12: Setting up Lump Sum at Loan Set Up

1.4.3 Submitting a Lump Sum at Loan Set Up

When a User selects a Lump Sum Payment Plan Type at Loan Set up, a warning message appears if the Loan Advance / Other Draws field has no or zero dollar amount entered.

The screenshot shows the same loan setup interface as Figure 12, but with a warning dialog box overlaid. The dialog box contains the following text:

Warning

- Pay Plan type is Lump Sum with Credit Type of Closed-Ended but there is no amount entered in the Loan Advance/Other Draws field. Do you wish to continue with Loan Setup?
- Please certify that the LESA Type and LESA Amount are correct. If not, please update these values in FHA Connection before performing Loan Setup

Buttons: SUBMIT, CANCEL

Figure 12: Submitting Lump Sum With No Loan Advance / Other Draws

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1.4.4 NPL Post Loan Set up for Lump Sum

Post Loan Setup, the NPL is set to zero dollars. Authorized Users can make disbursements from Set Asides only.

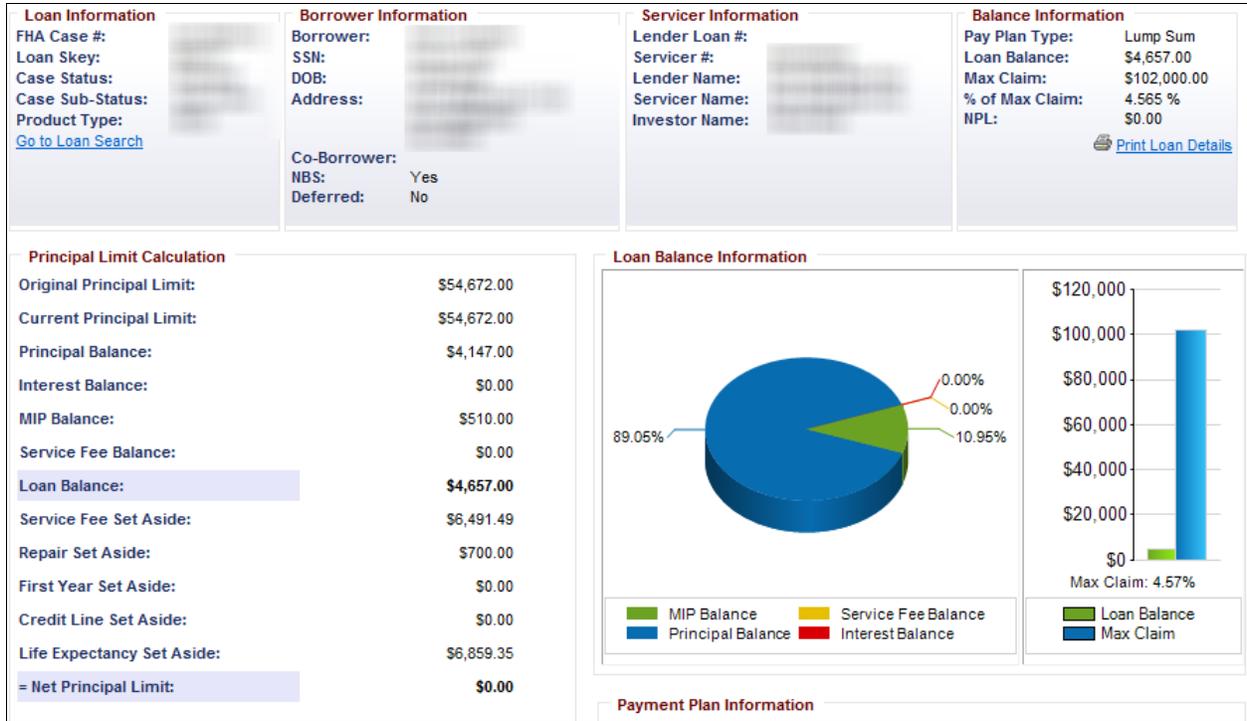


Figure 13: NPL Post Loan Setup for Lump Sum

1.4.5 Change of Plan from Lump Sum

Users cannot change Payment Plan Type from Lump Sum to another Payment Plan Type.



Figure 14: Change of Plan from Lump Sum

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Users cannot change from other Payment Plan Types to Lump Sum Payment Plan Type.

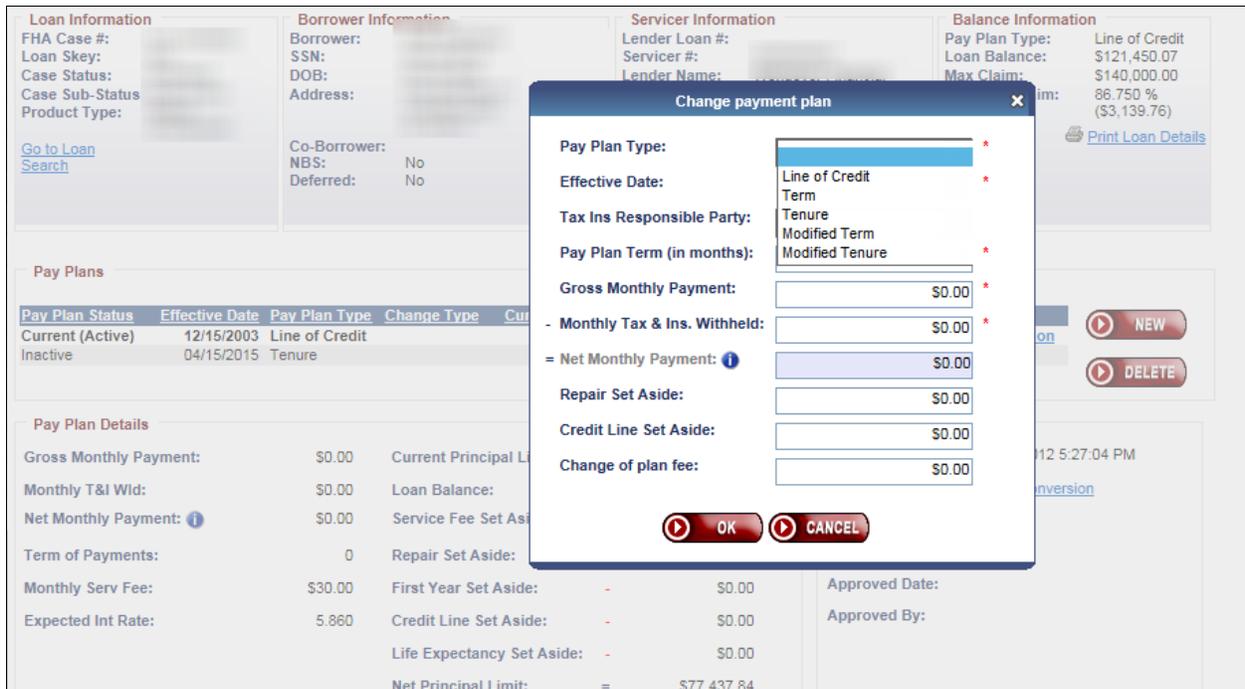


Figure 15: Change of Plan from Other Pay Plans to Lump Sum

1.4.6 B2G Functionality for Lump Sum

The B2G functionality will have a value of '60' displayed in the template. Authorized Users need to use this value for B2G upload when a Lump Sum Payment Plan is needed. Error messages will be displayed once the B2G file is uploaded and if the Lump Sum payment option doesn't have a Fixed Rate Type and Credit Type as Closed-Ended option. A warning message is also displayed if the Loan Advances/Other Draws has no amount for Lump Sum Payment option.

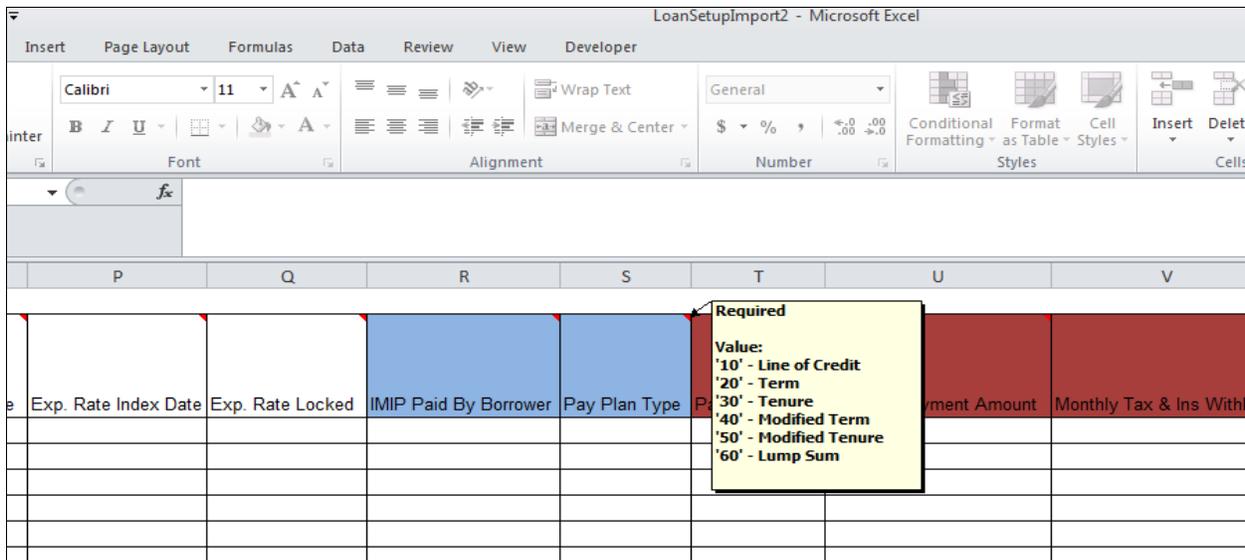


Figure 16: Lump Sum Payment Option

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1.5 Make Credit Type Mandatory

1.5.1 Setting up a loan with Credit Type at Loan Set Up

The system shall display an error message if the Credit Type is not selected at Loan Set up irrespective of the Rate Type. An error message will also be displayed during B2G file upload if the Credit Type is not entered irrespective of the Rate Type.

Loan Information			
Loan Key:	Borrower Name:	Create Date:	60% of OPL:
FHA Case #:	Borrower SSN:	Lender Name:	IDL Amt:
Product Type:	Borrower DOB:	Max Claim Amount:	Total MO Amt: ⓘ
Prior Case #:	Property Address:	Property City, St. Zip:	MO Cash from Borrower: \$15,930.00
10% Usage Indicator:	10% Usage Amt:	T&I First Yr. Payments:	MO Cash From Lender: \$0.00

Rates Information		Loan Dates		Principal Limit Calculation	
Interest Rate at Closing:	2.000% *	Closing Date:	06/02/2015 *	Original Principal Limit:	\$26,800.00
Exp. Interest Rate:	3.000% *	Funded Date:	06/10/2015 *	IMIP Paid By Lender:	\$0.00
Rate Type:	Annual *	Application Date:		IMIP Paid By Borrower:	\$0.00
Index Type:	1-Year CMT *	Exp. Rate Index Date:		IMIP Financed:	\$250.00
Lifetime Cap:	5.000%	Exp. Rate Locked:		IMIP Total:	\$250.00
Periodic Cap:	2.000%	Title Held As:		+ Closing Costs: ⓘ	\$2,000.00
Margin:	1.000% *			+ Discharge of Liens:	\$2,000.00
ARM First Change Date:	07/01/2016 *			+ Loan Advance/Other Draws:	\$1,000.00
Credit Type:				+ Loan Origination: ⓘ	\$1,000.00
Round to 1/8th:	<input type="checkbox"/>			= Total Loan Balance: ⓘ	\$6,250.00

Lender/Service/Investor Information		Pay Plan	
Lender Loan #:		Pay Plan Type:	Line of Credit *
Service/Sub-Service:	One West Bank Fsb *	Tax Ins Responsible Party:	
Investor:	Fannie Mae *	Pay Plan Term (in months):	
		Monthly Payment Amount:	
		- Monthly Tax & Ins. Withheld:	
		= Net Monthly Payment: ⓘ	\$0.00
		First Payment Date:	
		Monthly Service Fee: ⓘ	\$20.00 *

- Service Fee Set Aside:	\$4,436.62
- Repair Set Aside:	\$550.00
- First Year Set Aside:	
- Credit Line Set Aside: ⓘ	
- Life Expectancy Set Aside:	\$1,000.00
= Net Principal Limit: ⓘ	\$14,563.38

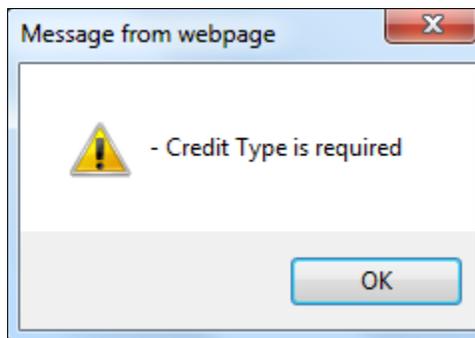


Figure 17: Error Message for Credit Type

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1.5.2 Setting up a Loan with Line of Credit Pay Plan Type & Fixed Rate Type & Open Ended Credit Type

The system will display an error message if a loan has a Line of Credit Pay Plan Type and Fixed Rate Type and an Open-Ended Credit Type is selected. An error message will be also displayed during B2G file upload if a loan has a Line of Credit Pay Plan Type and Fixed Rate Type and an Open-Ended Credit Type.

Loan Information		Loan Dates		Principal Limit Calculation	
Loan Key:	Borrower Name:	Create Date:	60% of OPL:	\$15,930.00	
FHA Case #:	Borrower SSN:	Lender Name:	IDL Amt:	\$15,930.00	
Product Type:	Borrower DOB:	Max Claim Amount:	Total MO Amt: ⓘ	\$5,804.00	
Prior Case #:	Property Address:	Property City, St. Zip:	MO Cash from Borrower:	\$15,930.00	
10% Usage Indicator:	10% Usage Amt:	T&I First Yr. Payments:	MO Cash From Lender:	\$0.00	
Rates Information		Pay Plan			
Interest Rate at Closing:	2.000% *	Pay Plan Type:	Line of Credit *		
Exp. Interest Rate:	3.000% *	Tax Ins Responsible Party:			
Rate Type:	Fixed *	Pay Plan Term (in months):			
Index Type:	No Index *	Monthly Payment Amount:			
Lifetime Cap:	%	- Monthly Tax & Ins. Withheld:			
Periodic Cap:	%	= Net Monthly Payment: ⓘ	\$0.00		
Margin:	%	First Payment Date:			
ARM First Change Date:		Monthly Service Fee: ⓘ	\$20.00 *		
Credit Type:	Open-Ended *	Life Expectancy Set Aside (LESA)		Refund Request	
Round to 1/8th:	<input type="checkbox"/>	Life Expectancy Type:	Fully Funded	Refund Request: <input type="checkbox"/>	
Lender/Service/Investor Information					
Lender Loan #:					
Service/Sub-Service:	One West Bank Fsb *				
Investor:	Fannie Mae *				

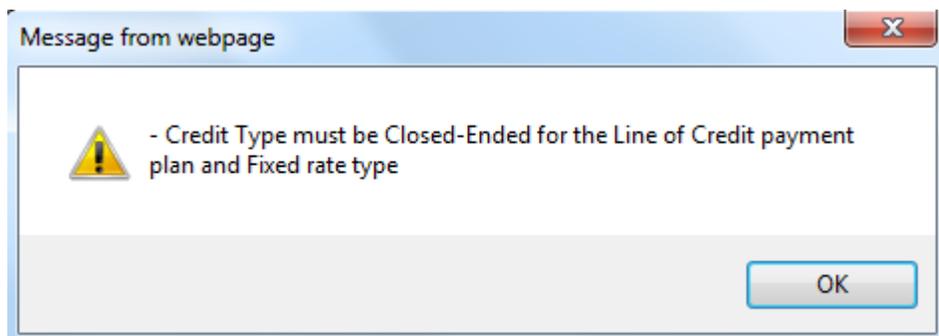


Figure 18: Error Message for Line of Credit + Fixed + Open-Ended

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1.6 Increasing Max Allowable Values for Currency Fields

1.6.1 Claims Worksheet for Claims Type 21

The allowable maximum value for the Appraisal Amount & Approved Variance Amount fields on the Claims Worksheet for Claim Type 21 have increased to \$2,000,000.00. **If the User enters more than the allowable amount the system will default it to \$2,000,000.00.**

The screenshot shows the 'Claims Worksheet for Claim Type 21' interface. At the top, there are navigation buttons: 'Save Changes', 'Validate Claim', 'View Claim', and 'Finalize and Submit Claim'. Below this is the title 'Claims Worksheet for Claim Type 21'. The main section is titled 'Disposition Information' and contains several fields:

- Appraisal Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Appraisal Amount' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Market REO Property Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Appraisal Amount' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Foreclosure Instituted:** A checkbox.
- Deed In Lieu Obtained:** A checkbox.
- Appraisal Based Claim:** A radio button that is selected.
- Sale Based Claim:** A radio button.
- Appraisal Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Appraisal Amount' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Does a HUD Approved Variance Exist?:** Radio buttons for 'Yes' and 'No'. The 'Yes' button is selected.
- Approved Variance Amount:** A text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Exp. Date of Approved Ext (1st Legal to Commence FCL / Deed in Lieu):** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Appraisal Amount' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.

Note: The Approved Variance Amount is subject to verification by HUD, please attach the approved variance document in the Documents tab

Figure 19: Range Increased to 2,000,000.00 for CT 21 Worksheet

1.6.2 Claims Worksheet for Claim Type 23

The allowable maximum value for the Appraisal Amount, Sales Contract Price & Sales Price Approved on the Claims Worksheet for Claim Type 23 have increased to \$2,000,000.00. **If the User enters more than the allowable amount the system will default it to \$2,000,000.00.**

The screenshot shows the 'Claims Worksheet for Claim Type 23' interface. At the top, there are navigation buttons: 'Save Changes', 'Validate Claim', 'View Claim', and 'Finalize and Submit Claim'. Below this is the title 'Claims Worksheet for Claim Type 23'. The main section is titled 'Disposition Information' and contains several fields:

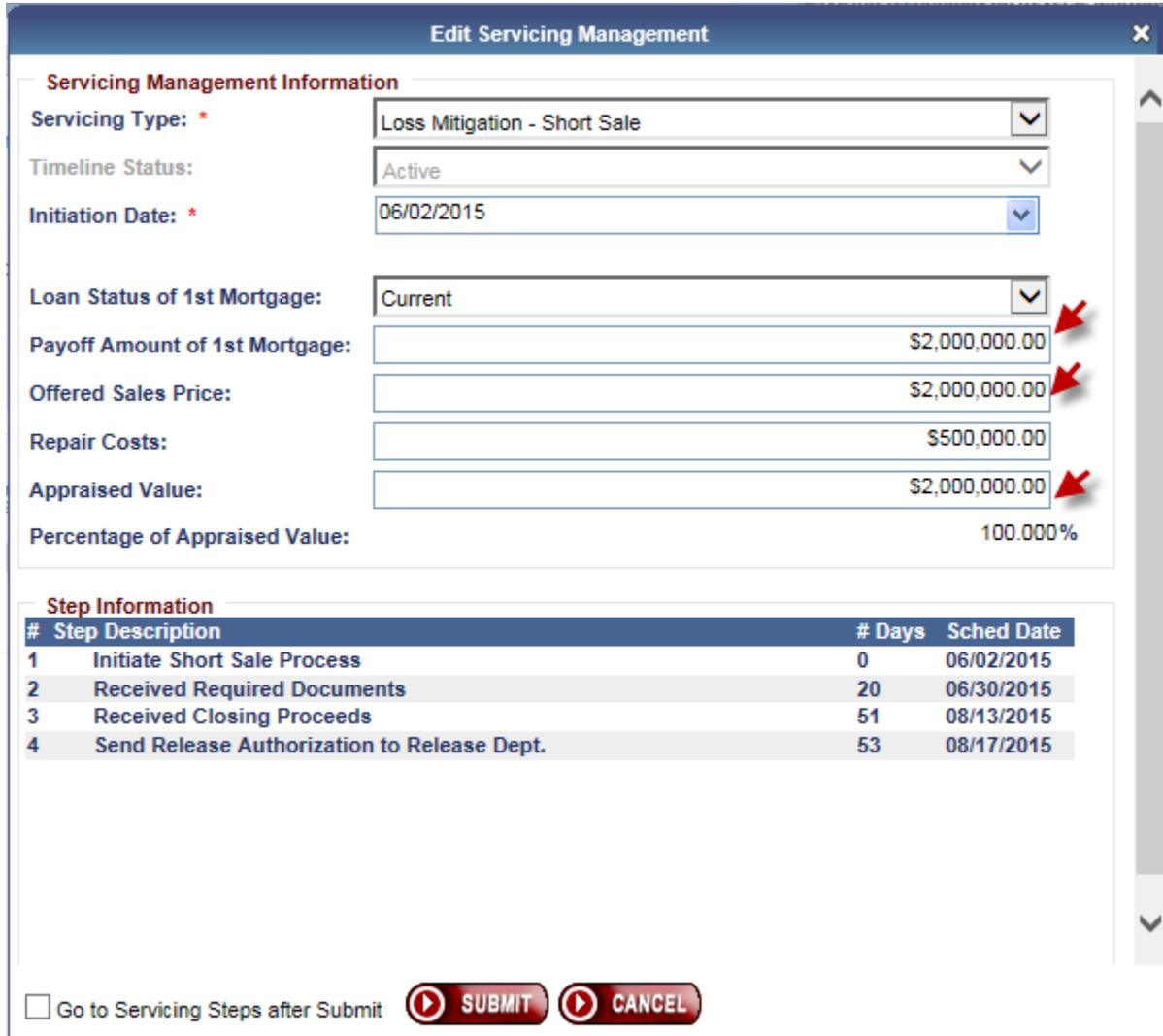
- Appraisal Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Appraisal Amount' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Sale Contract Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Sale Contract Price' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Sale Closing Date:** A dropdown menu with a red arrow pointing to it. Below the field is the text '(Must be <= Today)'. To the right is the 'Sale Price' field, which is a text input box with a red arrow pointing to it. Below this field is the text '(Range of \$0.00 to \$2,000,000.00)'. A red arrow also points to the top right corner of the form area.
- Does a HUD Approved Variance Exist?:** Radio buttons for 'Yes' and 'No'. The 'No' button is selected.

Figure 20: Range Increased to 2,000,000.00 for CT 23 Worksheet

HERMIT SYSTEM CHANGES – RELEASE 4.2

1.6.3 Loss Mitigation – Short Sale timeline

The allowable maximum value for the Payoff Amount of 1st Mortgage, Offered Sales Price, and Appraised Value on the Loss Mitigation – Short Sale timeline have increased to \$2,000,000.00. If the User enters more than the allowable amount, the system will display an error message.



Edit Servicing Management

Servicing Management Information

Servicing Type: * Loss Mitigation - Short Sale

Timeline Status: Active

Initiation Date: * 06/02/2015

Loan Status of 1st Mortgage: Current

Payoff Amount of 1st Mortgage: \$2,000,000.00

Offered Sales Price: \$2,000,000.00

Repair Costs: \$500,000.00

Appraised Value: \$2,000,000.00

Percentage of Appraised Value: 100.000%

Step Information

#	Step Description	# Days	Sched Date
1	Initiate Short Sale Process	0	06/02/2015
2	Received Required Documents	20	06/30/2015
3	Received Closing Proceeds	51	08/13/2015
4	Send Release Authorization to Release Dept.	53	08/17/2015

Go to Servicing Steps after Submit **SUBMIT** **CANCEL**

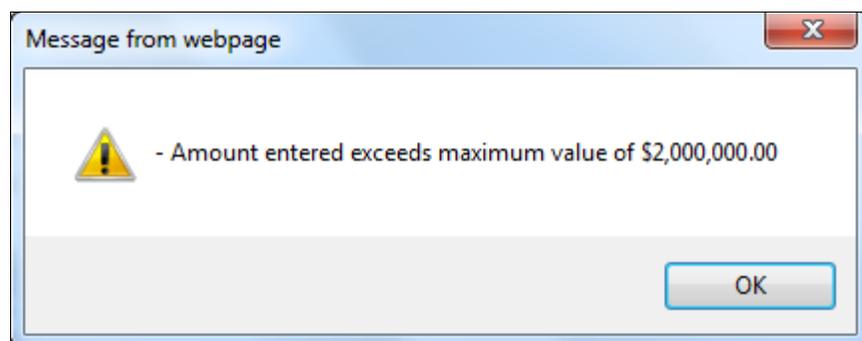


Figure 21: Error Message for Amount Entered Greater than \$2,000,000.00

HERMIT SYSTEM CHANGES – RELEASE 4.2

1.6.4 Investor Short Sale

The allowable maximum value for the Payoff Amount of 1st Mortgage, Offered Sales Price, and Appraised Value on the Investor Short Sale timeline have increased to \$2,000,000.00. If the User Enters more than the allowable amount, the system will display an error message.

> Loan > Servicer Request Servicing Technology on Reverse Mortg

Home | **Loan** | Endorsed | Accounting | Batch | Reports | Logout

<ul style="list-style-type: none"> Loan Balance Loan Details Transactions Contacts Property Documents Notes Audit Tracking Alerts Repayment Plan Change Of Plan Payoff Servicer Info Servicer Request Bank Account 	<p>Loan Information</p> <p>FHA Case #: [REDACTED] Loan Key: [REDACTED] Case Status: [REDACTED] Case Sub-Status: [REDACTED] Product Type: [REDACTED]</p> <p>Go to Loan Search</p>	<p>Borrower Information</p> <p>Borrower: [REDACTED] SSN: [REDACTED] DOB: [REDACTED] Address: [REDACTED]</p> <p>Co-Borrower: NBS: No Deferred: No</p>	<p>Servicer Information</p> <p>Lender Loan #: [REDACTED] Servicer #: [REDACTED] Lender Name: [REDACTED]</p> <p>Servicer Name: [REDACTED] Investor Name: [REDACTED]</p>	<p>Balance Information</p> <p>Pay Plan Type: [REDACTED] Line of Credit Loan Balance: \$65,343.11 Max Claim: \$70,000.00 % of Max Claim: 93.347 % NPL: (\$1,193.94)</p> <p>Print Loan D</p>
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Servicing Management Information

Request Type: * ▼

Timeline Status: ▼

Initiation Date: * ▼

Loan Status of 1st Mortgage: ▼

Payoff Amount of 1st Mortgage:

Offered Sales Price:

Repair Costs:

Appraised Value:

Percentage of Appraised Value:

Step Information

#	Step Description	# Days	Sched Date
1	Initiate Investor Short Sale Process	0	06/03/2015
2	Upload Short Sale package to HUD	20	07/01/2015
3	Received Required Documents	15	06/24/2015

SUBMIT

HERMIT SYSTEM CHANGES – RELEASE 4.2

Edit Servicing Management

Servicing Management Information

Servicing Type: * Investor Short Sale

Timeline Status: Active

Initiation Date: * 06/23/2015

Loan Status of 1st Mortgage: Current

Payoff Amount of 1st Mortgage: \$2,000,000.00

Offered Sales Price: \$2,000,000.00

Repair Costs: \$500,000.00

Appraised Value: \$2,000,000.00

Percentage of Appraised Value: 100.000%

Step Information

#	Step Description	# Days	Sched Date
1	Initiate Investor Short Sale Process	0	06/23/2015
2	Upload Short Sale package to HUD	20	07/22/2015
3	Received Required Documents	15	07/15/2015
4	(Itr) Servicer Notified of Decision	25	07/29/2015

Go to Servicing Steps after Submit

SUBMIT **CANCEL**

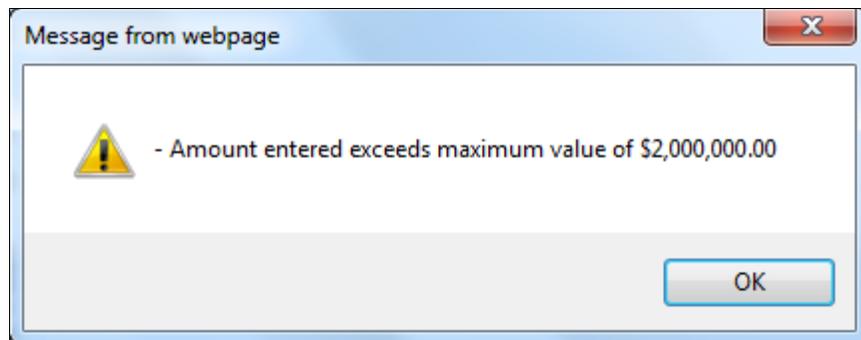


Figure 22: Error Message for Amount Entered Greater than \$2,000,000.00