

Distribution Date: July 8, 2013

UP-Front MIP Payment Issue

UP-FRONT MIP PAYMENT ISSUE

On July 1, 2013 HUD was made aware that the Department of the Treasury is rejecting payment of up-front mortgage insurance transactions where the ampersand (&) character was included in Automated Clearing House (ACH) account holder names. On these cases, users will get the following error message on the Title II Upfront Payment History Screen, "Processing error; contact SF Admin Help Desk". The Treasury Department will not have a solution in place until Sunday July 14, 2013.

However, HUD has developed a permanent work around to resolve this issue for our clients by removing the "&" character from the Automated Clearing House name field. For those lenders that have loans impacted by this error message, please follow the steps below:

- Re-submit the up-front insurance payment in FHA Connection.
- If an A80R (Upfront) payment is rejected because of a duplicate payment issue, please resubmit it, but add a penny to the amount.
- If late charges need to be added to the payment to make them go through then add the late fee (4%). HUD will adjust the late charges for those that were originally submitted on time and process the refunds once the payments have been reflected in HUD's system.

Should you have any questions please feel free to email SFADMIN@hud.gov

NOTICE TO FHA SERVICERS

EXTENSION OF SINGLE FAMILY FHA DEFAULT REPORTING TIME FOR JUNE 2013 DEFAULT REPORTING CYCLE

Servicers are notified that the window for reporting defaults to HUD/FHA on Single Family loans in default has been extended to Wednesday, July 10, 2013 8:00 CST to account for data issues possibly present during the timeframe of July 2-5, 2013.

Not all servicers will be affected by this issue; however, all servicers are encouraged to review their default transmission submissions and assess data issues that may be present. If you are a servicer affected by this issue, and are having difficulty assessing or correcting transmissions, please contact the National Servicing Center via sfdatarequests@hud.gov. Servicers may also contact the EDI Help Desk at EDIHelpDesk@hud.gov.

As a reminder: FHA Mortgagee Letter 2013-15, "Updated Delinquency/Default Status codes for the Single Family Default Monitoring System; Special Forbearances and Trial Payment Plans; New Reporting Requirement for Non-Incentivized Loan Modifications", published May 9, 2013, provided for significant updates to the default status codes available for servicer use when reporting delinquencies on FHA loans to HUD. Per ML 2013-15, servicers must implement the changes to the default coding submissions within six months of the mortgagee letter publication date.

FHA Mortgagee Letter 2013-15 is available at the following link: <http://portal.hud.gov/hudportal/documents/huddoc?id=13-15ml.pdf>.

The National Servicing Center has a comprehensive website that provides information for all aspects of FHA servicing issues, including default reporting: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/nschome.

For additional information, questions, or feedback, please contact the National Servicing Center via sfdatarequests@hud.gov.

TRAINING OPPORTUNITIES

Title: FHA Lender Training in Chicago, IL **ON-SITE TRAINING**

Date/Time: Tuesday, July 30 from 8:30am to 4:00pm (Central Time)

Registration Link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1794&update=N>

Location: Metcalfe Federal Building, 77 West Jackson Boulevard, Room 331, Chicago, IL 60604-3507

Description: This FREE FHA on-site training is intended for mortgage loan professionals, including underwriters, processors, and loan officers new to FHA or who wish to refresh their knowledge of credit qualifying guidelines. Topics will include basic CIA (credit, income and asset) documentation and calculations. We'll also share some general do's and don'ts when it comes to qualifying your borrower.

Special Instructions: You must complete the HUD Registration form to attend the training. Register early, seating is limited. Training is free and lunch is on your own. Please arrive early, since you will be entering a federal building and will need to go through security. If you have any questions please email Belinda.Robinson@hud.gov.

Title: FHA Appraiser Training in Chicago, IL **ON-SITE TRAINING**

Date/Time: Wednesday, July 31 from 8:30am to 4:00pm (Central Time)

Registration Link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=1795&update=N>

Location: Metcalfe Federal Building, 77 West Jackson Boulevard, Room 331, Chicago, IL 60604-3507

Description: This FREE FHA on-site training is intended for Appraisers and Underwriters. The training includes coverage of recent Mortgagee Letters, valuation policies, appraising REO properties, 203k, Minimum Property Requirements (MPR), and defining required repairs vs. cosmetic deficiencies.

Special Instructions: You must complete the HUD Registration form to attend the training. Register early, seating is limited. Training is free and lunch is on your own. Please arrive early, since you will be entering a federal building and will need to go through security. If you have any questions please email Belinda.Robinson@hud.gov.

ADDITIONAL FHA EVENTS AND TRAINING OPPORTUNITIES CAN BE FOUND AT: <http://bit.ly/FHAevents>