

Step 9. The step **Upload P&P Package the Complete Date** will be pre-populated with the current system date. For this step, a servicer must upload the P&P Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step; select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Step 11. The servicer will select the Preserve & Protect tab to add the additional expenses that require HUD review and approval.

Welcome: [User Name] [Edit Profile](#) [Help](#)  
Today is: Friday, January 13, 2012

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

Loan Balance | Request Steps | Servicing Mgmt | **Preserve & Protect** | Notes | Documents | Contacts | Alerts | Loan Transactions

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Endorsed  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: [Redacted]  
AL 35111  
Co-Borrower: ZACK COE

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$133,916.98  
Max Claim: \$185,100.00  
% of Max Claim: 72.348 %  
NPL: (\$726.79)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Preservation & Protection Info**

Maximum Allowance	Total Allowance Used	Available Amount	HUD Approved Amount	HUD Approved Used	HUD Approved Remaining
\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00

Request to Exceed Limits for Preservation and Protection

**NEW**

Figure 7-128: Preservation and Protection Tab

Step 12. Click **New**.

**New Request**

Transaction Type: \* Corp Adv - Prop Preserve - Boarding

Requested Amount: \* \$2,000.00

Bid 1: [Empty]

Bid 2: [Empty]

Servicer Remarks: Test

**SUBMIT** **CANCEL**

Figure 7-129: New Request for Preservation and Protection

Step 13. On the New window, populate the details of the expense (required fields marked with an asterisk). Click **Submit** to add the expense. Repeat the step for additional expenses. Upon completion of expenses, select the Request Steps tab.

Step 14. The servicer must generate the P&P request exceed cost letter.

Step 15. To submit the P&P request exceed cost letter, click the printer icon beside Send P&P Package to HUD, the **Modify Letter Fields** window is displayed. Edit the fields and select **OK**. The P&P request exceed cost letter is displayed with the updates and the additional expenses added on the Preserve & Protect tab. Once the letter is closed, the letter is submitted and is auto-saved in the **Documents** tab.

Step 16. The step **Send P&P Package to HUD** is auto-completed by the system.

**7.3.1.10.2 HUD NSC Contractor Activities**

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of the Request to Exceed Package review, a HUD NSC Contractor will complete the step Request to Exceed Package Reviewed. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 2. The HUD NSC Contractor will select the **Preserve & Protect** tab to approve or deny the request.



**Figure 7-130: Preservation and Protection tab**

Step 3. The HUD NSC Contractor will select the **edit document icon** beside the expense previously submitted by the Servicer. On the **Edit Request** window, the HUD NSC Contractor will select the dropdown for HUD Decision field.

The screenshot shows a window titled "Edit Request" with the following fields and values:

- Transaction Type:** Corp Adv - Prop Preserve - Boarding
- Requested Amount:** \$2,000.00
- Bid 1:** \$0.00
- Bid 2:** \$0.00
- Servicer Remarks:** Test
- HUD Decision:** Approved
- Approved Amount:** \$2,000.00
- HUD Remarks:** Approved

At the bottom of the window are two buttons: "SUBMIT" and "CANCEL".

**Figure 7-131: Edit Request for Preservation and Protection**

- Step 4. If Approved is selected, HUD NSC Contractor must enter the approved amount and optionally enter the HUD Remarks and click **Submit**.
- Step 5. If Denied is selected, HUD NSC Contractor may optionally enter the HUD Remarks and click **Submit**.
- Step 6. If Pending is selected, HUD NSC Contractor may optionally enter the HUD Remarks and click **Submit**.
- Step 7. Upon completion of decision, select the **Request Steps** tab.
- Step 8. The HUD NSC Contractor will add an optional step (Approved, Denied, or Pending) indicating HUD NSC Contractor decision. To add the step, click **New**.
- Step 9. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline (HUD Decision -Approved, HUD Decision -Denied, or HUD Decision -Pending), click **Submit** on the new window. The step will be added to the list of steps.
- Step 10. Upon completion of the decision, a HUD NSC Contractor will generate the **Preservation and Protection Decision Letter**.
- Step 11. To generate the Preservation and Protection Decision Letter, click the **magnifying glass** beside optional step that was added (HUD Decision -Approved, HUD Decision -Denied, or HUD Decision -Pending). The Preservation and Protection Decision Letter is displayed with the HUD Decision. To auto-save the document to the **Documents** tab, select the **printer icon**, this action will save the Preservation and Protection Decision Letter to the **Documents** tab and auto-complete the step.
- Step 12. To complete the next step, select the step **Servicer Notified of Decision**, and populate the completion date, and click **Submit** on the **Edit Step** window.

### 7.3.1.10.3 Servicer Activity

Step 13. Upon approval on the additional Preservation and Protection expense, a servicer must re-submit the transaction on the **Transactions - Loan** screen. The approved expense is displayed on the New Preservation & Protection Transaction window. Select the approved expense and populate the required fields and click **Submit**. The transaction is added to the list of loan transactions.

### 7.3.1.10.4 Servicer and HUD NSC Activities

Step 14. If the request was denied or more information is needed, a Servicer must add the optional step, **Resubmit P&P package to HUD**. Update the expenses and re-generates the P&P Request Exceed Cost letter (select the **printer icon** beside **Resubmit P&P package to HUD**, the **Modify Letter Fields** window is displayed. Edit the fields and select **OK**. The P&P request exceed cost letter is displayed with the updates. Once the letter is closed, the letter is submitted and is auto-saved in the **Documents** tab).

Step 15. HUD NSC Contractor reviews the updated package and obtains HUD's decision. If a servicer does not submit the required documents, a HUD NSC Contractor adds the optional step, Follow-up.

Step 16. If additional HUD review is needed, then the optional step **Sent to HUD for review** must be added on the timeline and completed.

Step 17. Once a decision has been made, HUD NSC will add the optional step **HUD Decision issued to Contractor**. To add an optional step, click **New**, select the optional step from the step description dropdown, populate the completion date and click **Submit**. The optional step is added to the list of steps.

### 7.3.1.11 Request for HUD Advance (Assignment)

A servicer initiates the HUD Advance timeline when an unscheduled advance request from the mortgagor pushes the loan balance greater than 100 percent of the maximum claim amount. This timeline can be initiated only if the pay plan type on the loan is modified term, modified tenure or line of credit. The case status must be Endorsed and the sub-status must be Loan Active. This timeline requires interaction with a HUD NSC Contractor.

Multiple active requests for HUD Advance (Assignment) timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Request for HUD Advance (Assignment)** timeline:

#### 7.3.1.11.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the **Endorsed** menu, select **Request**, and click **Setup**.

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search**.

Welcome: [User] [Edit Profile](#) [Help](#)  
 Today is: Thursday, January 12, 2012

**STORM**  
 Servicing Technology on Reverse Mortgages

> Endorsed > Request Setup

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

**Endorsed Request Setup Search**

Loan Skey:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Endorsed Case Sub-Status: Loan Active Index Type: --ALL--

**Search Results**

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property State
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1001	1000000001	1000000001	Endorsed	Loan Active	1000000001	1000000001	AL
1002	1000000002	1000000002	Endorsed	Loan Active	1000000002	1000000002	AL
1003	1000000003	1000000003	Endorsed	Loan Active	1000000003	1000000003	AL
1004	1000000004	1000000004	Endorsed	Loan Active	1000000004	1000000004	AL
1005	1000000005	1000000005	Endorsed	Loan Active	1000000005	1000000005	AL
1006	1000000006	1000000006	Endorsed	Loan Active	1000000006	1000000006	AL
1007	1000000007	1000000007	Endorsed	Loan Active	1000000007	1000000007	AL
1008	1000000008	1000000008	Endorsed	Loan Active	1000000008	1000000008	AL
1009	1000000009	1000000009	Endorsed	Loan Active	1000000009	1000000009	AL
1010	1000000010	1000000010	Endorsed	Loan Active	1000000010	1000000010	AL

page: 1 of 11522  results per page: 10  115214 Record(s)

**Figure 7-132: Setup Search – Endorsed Request for HUD Advance (Assignment)**

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Request for HUD Advance (Assignment) from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Edit Servicing Management**

**Servicing Management Information**

Servicing Type: \* Request for HUD Advance (Assignment)

Timeline Status: Active

Initiation Date: \* 1/13/2012

Requested Amount: \* \$89,770.00

**Step Information**

#	Step Description	# Days	Sched Date
1	Unscheduled Request for Funds Received - pushes MCA > 100%	0	01/13/2012
2	Upload Request for HUD Advance Package	0	01/13/2012
3	Request for HUD Advance Received from Servicer	1	01/14/2012
4	Request for HUD Advance Processed	3	01/16/2012
5	Assignment Package Received from Servicer	90	04/12/2012

Go to Servicing Steps after Submit

**Figure 7-133: Edit Servicing Management - Endorsed Request for HUD Advance**

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for Request for HUD Advance (Assignment) timeline is displayed.

The screenshot displays the STORM web application interface. At the top, it shows a welcome message and the date: Friday, January 27, 2012. The main navigation bar includes Home, Loan, Assigned, Endorsed, Reports, and Logout. The left sidebar contains various menu items like Loan Balance, Request Steps, Servicing Mgmt, Notes, Documents, Contacts, Alerts, and Loan Transactions. The main content area is divided into several sections: Loan Information, Borrower Information, Servicer Information, and Balance Information. Below these is a 'Step Information: Request for HUD Advance (Assignment)' section with a 'NEW' button and a table of steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note
1	Unscheduled Request for Funds Received - pushes MCA > 100%	01/01/2012		Servicer	
2	Upload Request for HUD Advance Package	01/01/2012		Servicer	
3	Request for HUD Advance Received from Servicer	01/02/2012		HUD Contractor	
4	Request for HUD Advance Processed	01/04/2012		HUD Contractor	
5	Assignment Package Received from Servicer	03/31/2012		HUD Contractor	

At the bottom of the table, it indicates '5 Step(s)'.

**Figure 7-134: Timeline Steps – Endorsed Request for HUD Advance (Assignment)**

Step 8. Complete the steps in the timeline when the activity corresponding to the step is complete.

Step 9. For Step **Unscheduled Request for Funds Received - pushes MCA > 100%** the Complete Date will be pre-populated with current system date. For this step, a servicer must upload the document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Step 11. For the step **Upload Request for HUD Advance Package**, a servicer must upload the HUD Advance package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

**Figure 7-135: Edit Step – Endorsed Request for HUD Advance (Assignment)**

Step 12.A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

#### 7.3.1.11.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

- Step 1. Upon completion of HUD Advance Package review, a HUD NSC Contractor will complete the step **Request for HUD Advance Received from Servicer**. Upon completion of the step, a Welcome Letter is generated. This letter is auto-imaged and auto-saved on the Documents screen.
- Step 2. If the advance request is approved, the HUD NSC Contractor will create a transaction “Unscheduled from LOC” on the loan and disburse the check (refer to Disbursement section in Chapter 6 of this User Guide to create the transaction). The Servicer will then complete the step **Request for HUD Advance Processed**. To complete the step, select the step on the timeline, populate the completion date, and click **Submit**.
- Step 3. If the advance request is denied, a HUD NSC Contractor adds the optional step, **Advance Denied - No Funds Issued**. To add the optional step, click **New**.

**Figure 7-136: New Step – Endorsed Request for HUD Advance (Assignment)**

- Step 4. Select the optional step from the **Step description** dropdown, populate the completion date, and click **Submit** on the new window. The step is added to the list of steps.
- Step 5. If a servicer has initiated the Claim Type 22 timeline and submitted the Assignment package, a HUD NSC Contractor will complete the step **Assignment Package Received from Servicer**. To complete the step, select the step, populate the completion date, and click **Submit** on the new window.
- Step 6. If the assignment is denied and the **Funds Due HUD** step is triggered on CT 22 timeline, a HUD NSC Contractor will add the optional step **Assignment Denied / Payoff Issued**. (Refer to above steps to add and complete optional step).
- Step 7. The step **Claims Receivable Established** is automatically added by the system and auto-completed when the following criteria are satisfied: step **Assignment Denied / Payoff Issued** is completed and confirmation received from the Accounting Module that the receivable request is established in the Accounting Module.
- Step 8. The step **Servicer Authorizes Repayment of Claim** is automatically added by the system and auto-completed when the following criteria are satisfied: The receivable transaction is authorized via the Accounting – Authorizations screen (authorized by lender/investor/servicer).
- Step 9. If a servicer does not authorize the receivable transaction within the scheduled date, a HUD NSC Contractor adds the optional step, Servicer Notified of Intent to Offset. (Refer to above steps to add and complete optional step).
- Step 10. The step **HUD Verifies Repayment of HUD Advance** is automatically added by the system and auto-completed when the following criteria are satisfied: Confirmation received from the Accounting Module that the collection has been successfully made for the receivable request.

### 7.3.1.12 Subordination

HUD's second mortgage is subordinate to a lender's mortgage. If it is determined that the first and second mortgages are recorded out of order, a servicer initiates a subordination timeline in order to make the correction. The loan must be in an Endorsed status to begin the subordination process. A servicer initiates the timeline and HUD will approve the subordination agreement.

Multiple active Subordination timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Subordination** timeline:

#### 7.3.1.12.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

- Step 1. The Servicer will initiate the timeline. From the **Endorsed** menu, select **Request** and click **Setup**.
- Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search**.

Welcome: [User] [Edit Profile](#) [Help](#)  
 Today is: Thursday, January 12, 2012

> Endorsed > Request Setup

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

**Endorsed Request Setup Search**

Loan Skey:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Endorsed Case Sub-Status: Loan Active Index Type: --ALL--

**Search Results**

[Export to Excel](#)

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property State
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1001	1000000001	1000000001	Endorsed	Loan Active	1000000001	1000000001	AL
1002	1000000002	1000000002	Endorsed	Loan Active	1000000002	1000000002	AL
1003	1000000003	1000000003	Endorsed	Loan Active	1000000003	1000000003	AL
1004	1000000004	1000000004	Endorsed	Loan Active	1000000004	1000000004	AL
1005	1000000005	1000000005	Endorsed	Loan Active	1000000005	1000000005	AL
1006	1000000006	1000000006	Endorsed	Loan Active	1000000006	1000000006	AL
1007	1000000007	1000000007	Endorsed	Loan Active	1000000007	1000000007	AL
1008	1000000008	1000000008	Endorsed	Loan Active	1000000008	1000000008	AL
1009	1000000009	1000000009	Endorsed	Loan Active	1000000009	1000000009	AL
1010	1000000010	1000000010	Endorsed	Loan Active	1000000010	1000000010	AL

page: 1 of 11522 Go results per page: 10 Go 115214 Record(s)

**Figure 7-137: Setup Search – Endorsed Subordination**

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Subordination from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Edit Servicing Management**

**Servicing Management Information**

Servicing Type: \* Subordination

Timeline Status: Active

Initiation Date: \* 1/13/2012

New Mortgage Type: Conventional

New Mortgage Amount: \$88,888.00

**Step Information**

#	Step Description	# Days	Sched Date
1	Request for Subordination Received	0	01/13/2012
2	Upload Subordination Package	5	01/23/2012
3	Subordination Package Reviewed by HUD	8	01/26/2012
4	(ltr) Servicer Notified of Decision / Subordination Sent to Servicer	10	01/30/2012

Go to Servicing Steps after Submit

**Figure 7-138: Edit Servicing Management - Endorsed Subordination**

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The Request Steps screen for Subordination timeline is displayed.

Welcome: [User Name] [Edit Profile](#) [Help](#)  
Today is: Friday, January 27, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Reports | Logout

Loan Balance | Request Steps | Servicing Mgmt | Notes | Documents | Contacts | Alerts | Loan Transactions

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Endorsed  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: [Redacted]  
OZARK  
AL 36360  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Modified Term  
Loan Balance: \$117,999.92  
Max Claim: \$136,700.00  
% of Max Claim: 86.320 %  
NPL: (\$11,552.11)  
[Print Loan Details](#)

[Go to Search Results](#)

**Step Information: Subordination**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	St
1	Request for Subordination Received	01/13/2012	01/13/2012	Servicer		Ac
2	Upload Subordination Package	01/23/2012		Servicer		Ac
3	Subordination Package Reviewed by HUD	01/26/2012		HUD Contractor		Ac
4	Servicer Notified of Decision / Subordination Sent to Servicer	01/30/2012		HUD Contractor		Ac

4 Step(s)

**Figure 7-139: Timeline Steps – Endorsed Subordination**

Step 8. The step **Request for Subordination Received** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Subordination Package**, the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Subordination Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step. Select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

**Edit Step**

**Step Item**

Step Description: Upload Subordination Package

Scheduled Date: 1/23/2012 \* Complete Date: 1/13/2012

Status: Active

Step Note: Test

Documents: r User Guide\test PDF.pdf Browse... \*

**Audit Information**

Create Date: 1/13/2012 5:13:27 PM Created By: [Redacted]

Change Date: Changed By:

**SUBMIT** **CANCEL**

**Figure 7-140: Edit Step – Endorsed Subordination**

### 7.3.1.12.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

- Step 1. Upon completion of Subordination package review, a HUD NSC Contractor will complete the step **Subordination Package Reviewed by HUD**. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.
- Step 2. Once a decision has been made about whether to approve, deny or request additional information, the HUD NSC Contractor will add the respective optional step.
- Step 3. To add an optional step (HUD Decision-Approved, HUD Decision-Denied, or HUD Decision-Pending Additional Information), click **New**.

**Figure 7-141: New Step – Endorsed Subordination**

- Step 4. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the **New Step** window. The step will be added to the list of steps.
- Step 5. To generate the Subordination Agreement Letter, click the magnifying glass beside Servicer Notified of Decision / Subordination Sent to Servicer. The Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The Subordination Agreement Letter is displayed. The decision chosen via the optional step will be pre-populated in this letter.
- Step 6. The printer icon beside the step allows the HUD Contractor to auto-save the document to the Documents tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the Subject and select **OK**. The Subordination Agreement Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

### 7.3.1.13 Zero Balance

When a payoff statement is requested on HUD's second mortgage, the HUD NSC contractor initiates this timeline to show that there are no funds advanced under the second note. This timeline is initiated and completed by a HUD NSC contractor. There is no interaction with the servicer.

Multiple active Zero Balance timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Zero Balance** timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup**.

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search**.

Search Results

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower L Name	Property Address	Property State
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL
1000	1000000000	1000000000	Endorsed	Loan Active	1000000000	1000000000	AL

page: 1 of 11522 results per page: 10

115214 Record(s)

**Figure 7-142: Setup Search – Endorsed Zero Balance**

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Zero Balance from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Service Management Information

Servicing Type: \* Zero Balance

Timeline Status: Active

Initiation Date: \* 1/12/2012

Responsible Party:

Step Information

#	Step Description	# Days	Sched Date
1	Initiate Zero Balance Letter	0	01/12/2012
2	Zero Balance Letter Request Received	0	01/12/2012
3	(ltr) Zero Balance Letter Sent to Requestor	4	01/19/2012

Go to Servicing Steps after Submit

SUBMIT CANCEL

**Figure 7-143: Edit Servicing Management - Endorsed Zero Balance**

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for Zero Balance timeline is displayed.

The screenshot shows the STORM web application interface. At the top, it says 'Welcome: [User Name] Edit Profile Help' and 'Today is: Friday, January 27, 2012'. The STORM logo is in the top right corner with the tagline 'Servicing Technology on Reverse Mortgages'. Below the logo is a navigation menu with 'Home', 'Loan', 'Assigned', 'Endorsed', 'Reports', and 'Logout'. The main content area is divided into several sections: 'Loan Information' (FHA Case #, Loan Key, Case Status: Endorsed, Case Sub-Status: Loan Active, Product Type: HECM STANDARD, Go to Loan Search), 'Borrower Information' (Borrower, SSN, DOB, Address: TUSCALOOSA AL 35404, Co-Borrower), 'Servicer Information' (Lender Loan #, Servicer #, Lender Name, Servicer Name, Investor Name), and 'Balance Information' (Pay Plan Type: Line of Credit, Loan Balance: \$126,022.35, Max Claim: \$154,896.00, % of Max Claim: 81.359 %, NPL: (\$6,350.36), Print Loan Details). Below these sections is a 'Go to Search Results' link and a 'Step Information: Zero Balance' section containing a table of steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create Date
1	Initiate Zero Balance Letter	01/12/2012	01/13/2012	HUD Contractor		Active	01/13/2012 05:24:
2	Zero Balance Letter Request Received	01/12/2012	01/12/2012	HUD Contractor	Test	Active	01/13/2012 05:24:
3	Zero Balance Letter Sent to Requestor	01/19/2012		HUD Contractor		Active	01/13/2012 05:24:

At the bottom of the table, it says '3 Step(s)'.

**Figure 7-144: Timeline Steps – Endorsed Zero Balance**

Step 8. The step **Initiate Zero Balance Letter** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: **Zero Balance Letter Request Received**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

The 'Edit Step' window is shown with the following details:

- Step Item**
  - Step Description: Zero Balance Letter Request Received
  - Scheduled Date: 1/12/2012 \*
  - Complete Date: 1/12/2012
  - Status: Active
  - Step Note: Test
- Audit Information**
  - Create Date: 1/13/2012 5:24:38 PM
  - Created By: [User Name]
  - Change Date: [Empty]
  - Changed By: [Empty]

At the bottom of the window are two buttons: **SUBMIT** and **CANCEL**.

**Figure 7-145: Edit Step – Endorsed Zero Balance**

Step 11. The completion date is populated beside the step **Zero Balance Letter Request Received** on the Request Steps screen.

Step 12. Click the **magnifying glass** beside the step **Zero Balance Letter Sent to Requestor** to update and print the Zero Balance Letter.

Step 13. A new window is displayed with the Zero Balance Letter with options to preview or print the document. Update the letter, and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document, select the **Print Document** link. Select **Open** on the File Download window. This action will save the updated Zero Balance Letter to the Documents tab. Refresh the screen to auto-complete the step.

Step 14. Select the Document tab to view the updated version of the Zero Balance Letter. Version history is maintained on the Documents tab each time the Print Document link is selected.

### 7.3.2 Release Timelines

#### 7.3.2.1 Release 2<sup>nd</sup> (Release of HUD's Second Mortgage)

This timeline is automatically initiated by the system when a loan status is terminated. The timeline can also be initiated manually, if the loan has an active Loss Mitigation – Deed in Lieu or Loss Mitigation – Short Sale timeline. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transaction, if the case is Terminated. The scheduled date of the first step is set to the complete date of the timeline step “Initiate DIL or Initiate Short Sale Process”, when the loan status is Endorsed and an active DIL/Short Sale timeline exists. The initiation conditions for claim and non-claim terminations are shown below:

- **For termination by non-claim:** The case status is updated to Terminated after the creation of termination transaction on loan by a servicer.
- **For termination by claim:** The case status is updated to Terminated after the claim payment confirmation is received from the Accounting Module (claim is submitted by a servicer and approved by HUD claims staff).

HUD NSC Contractor will complete the steps within the timeline after system initiation. There is no interaction with the servicer. Multiple active Release 2<sup>nd</sup> timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 2<sup>nd</sup>** timeline:

Step 1. From the **Endorsed** menu, select **Release**, and click **Search**.

Step 2. On the **Endorsed Release Search** Screen, enter the search criteria and click **Search** to retrieve the timelines that have been auto-initiated by the system.



**Edit Step**

**Step Item**

Step Description: Release Request- Approved by Management

Scheduled Date: 1/31/2012 \* Complete Date: 1/13/2012

Status: Active

Step Note: Step Completed

**Audit Information**

Create Date: 1/13/2012 5:50:44 PM Created By: [redacted]

Change Date: Changed By:

SUBMIT CANCEL

**Figure 7-148: Edit Step – Endorsed Release 2<sup>nd</sup>**

- Step 7. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.
- Step 8. The completion date is populated beside the step Release Request – Approved by Management on the **Release Steps** screen.
- Step 9. Repeat the steps above to complete the remaining steps.
- Step 10. To add an optional step, click **New**.

**New Step**

**Step Item**

Step Description: --ALL-- \*

Scheduled Date: 1/13/2012 \* Complete Date:

Status: Active

Step Note:

SUBMIT CANCEL

**Figure 7-149: New Step – Endorsed Release 2<sup>nd</sup>**

- Step 11. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 12. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Repeat the above instructions to add and complete other optional steps.

## 7.4 Assigned Timelines

### 7.4.1 Compliance Timelines

#### 7.4.1.1 Occupancy Compliance Certification

To ensure that the mortgagor is compliant with HECM occupancy rules and to complete the occupancy inspection process, a HUD NSC Contractor initiates this timeline. This timeline is automatically initiated when a loan is established. However, this timeline can also be initiated manually to track the annual occupancy compliance.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Occupancy Compliance timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Occupancy Compliance Certification** timeline:

Step 1. From the **Assigned** menu select **Compliance** and click **Search**.

Step 2. On the **Assigned Compliance Search** Screen, enter the search criteria, select Servicing Type as Occupancy Compliance Certification and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

The screenshot shows the STORM web application interface for the 'Assigned Compliance Search' screen. The page header includes 'Welcome: [username] Edit Profile Help' and 'Today is: Thursday, January 12, 2012'. The breadcrumb trail is '> Assigned > Compliance Search'. The navigation menu includes Home, Loan, Assigned, Endorsed, Reports, and Logout. The main content area is titled 'Assigned Compliance Search' and contains several search criteria sections:

- Loan Information:** Loan Skey, Lender Loan #, FHA Case #, Case Status (Assigned), Borrower LName, Property Address, Property State (dropdown), Case Sub-Status (Loan Active), Lender Name (dropdown), Servicer Name (dropdown), Investor Name (dropdown), Responsible (dropdown).
- Servicing Management Criteria:** Servicing Type (Occupancy Compliance Certification), Servicing Status (dropdown), Step (dropdown), Timeline Status (All Active), Current Step Group (dropdown), Step Status (dropdown), Scheduled Date (dropdown), Completion Date (dropdown), Step Group (dropdown).

A 'SEARCH' button is located at the bottom right of the search criteria section. Below the search criteria is a 'Search Results' section with an 'Export to Excel' link. The search results are displayed in a table with the following columns: Loan Skey, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Servicing Type, Timeline Status, and Servicing Status. The table contains 7 rows of data, all showing 'Assigned' Case Status, 'Loan Active' Case Sub-Status, 'Occupancy Compliance Certification' Servicing Type, 'Active' Timeline Status, and 'Annual Occupancy Certificat' Servicing Status.

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
1000	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1001	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1002	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1003	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1004	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1005	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat
1006	1000000000	1000000000	Assigned	Loan Active	Occupancy Compliance Certification	Active	Annual Occupancy Certificat

Figure 7-150: Compliance Search – Assigned Occupancy Compliance Certification

Step 3. From the search results, select the loan to view or edit the timeline.

Step 4. The **Compliance Steps** screen for Occupancy Compliance Certification timeline is displayed.

Welcome: [User Name] Edit Profile Help  
Today is: Thursday, January 12, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home Loan Assigned Endorsed Accounting Batch Reports Logout

Loan Balance  
Compliance Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: PHOENIX AZ 85041  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$10,218.39  
Max Claim: \$72,000.00  
% of Max Claim: 14.192 %  
NPL: \$78,281.88  
[Print Loan Details](#)

[Go to Search Results](#)

Step Information: Occupancy Compliance Certification

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Annual Occupancy Certification Letter Sent	01/12/2012		HUD Contractor		Active
2	Signed Anniversary Date	02/11/2012	02/11/2012	HUD Contractor		Active
3	Annual Occupancy Cert Letter Received	03/02/2012		HUD Contractor		Active
4	Re-start Annual Occupancy Certification	12/07/2012		HUD Contractor		Active

**Figure 7-151: Timeline Steps – Assigned Occupancy Compliance Certification**

Step 5. The step **Signed Anniversary Date** is auto completed by the system with the timeline created date.

Step 6. To generate the Annual Certification of Occupancy Letter, click on the **magnifying glass** beside the **Annual Occupancy Certification Letter Sent** step to preview the letter; the **Modify Letter Fields** window is displayed. Edit the subject and salutation and click **OK**. The Annual Certification of Occupancy Letter is displayed.

**Modify Letter Fields**

Subject: [Text Input Field]

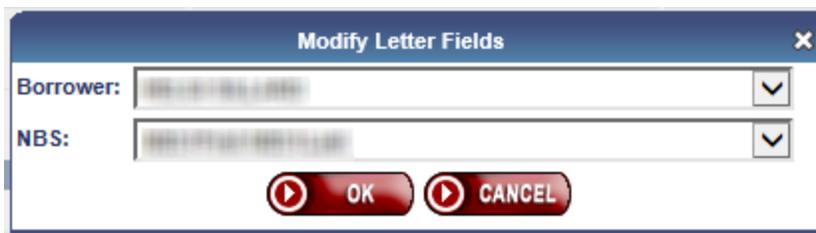
Salutation: [Text Input Field]

**OK** **CANCEL**

**Figure 7-152: Modify Letter Fields Window**

Step 7. To generate the Annual Certification of Occupancy Letter when a Non-Borrowing Spouse is available on the loan, click on the **magnifying glass** beside the **Annual Occupancy Certification Letter Sent** step to preview the letter; the **Modify Letter Fields** window is displayed with Non-Borrowing Spouse information. Select the Borrower and NBS and select **OK**. The Annual Certification of Occupancy Letter is displayed with Non-Borrowing Spouse information.

(NOTE: When multiple Borrower/Co-borrowers and NBS are on the loan, the relationship of the Borrower/Co-Borrower to the NBS can be confirmed on the loan documents)



**Figure 7-153: Modify Letter Fields Window**

Note: The Annual Certification of Occupancy Letter is generated per the rules below:-

- If the NBS is available/active on the loan and selected by HUD NSC Contractor in the **Modify Letter Fields** window, and the last surviving borrower is not deceased, the letter is generated with last surviving borrower along with selected NBS information. Additional letters can be generated, if needed.
- If all the NBS are deactivated on the loan and no NBS is selected by HUD NSC Contractor in the **Modify Letter Fields window**, and the last surviving borrower is not deceased, the letter is generated without NBS information.
- If at least one NBS is available/active on the loan and selected by HUD NSC Contractor in the **Modify Letter Fields** window, and the last surviving borrower is deceased, the letter is generated with selected NBS information only.

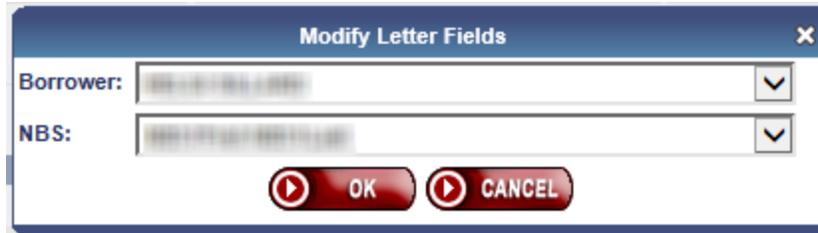
Step 8. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the **Modify Letter Fields** window is displayed. Edit the subject and salutation and select **OK**. The Annual Certification of Occupancy Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 9. If the Annual Occupancy Certification letter is received, then the step **Annual Occupancy Cert Letter Received** must be completed. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 10. If the Annual Occupancy Certification letter is not received, then the step **Mail Annual Occupancy 2<sup>nd</sup> Request Letter** is automatically added by the system after an overnight process. The following criteria must be satisfied: the step **Signed Anniversary Date** and **Annual Occupancy Certification Letter Sent** are completed but the step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 11. To generate the Annual Certification of Occupancy 2<sup>nd</sup> Request letter, click on the **magnifying glass** beside the **Mail Annual Occupancy 2<sup>nd</sup> Request Letter** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Annual Certification of Occupancy 2<sup>nd</sup> Request Letter is displayed.

Step 12. To generate the Annual Certification of Occupancy 2<sup>nd</sup> Request letter when a Non-Borrowing spouse is available on the loan, click on the magnifying glass beside the Mail Annual Occupancy 2<sup>nd</sup> Request Letter step to preview the letter; the Modify Letter Fields window is displayed with Non-Borrowing Spouse information. Select the Borrower and NBS and select **OK**. The Annual Certification of Occupancy 2<sup>nd</sup> Request Letter is displayed.



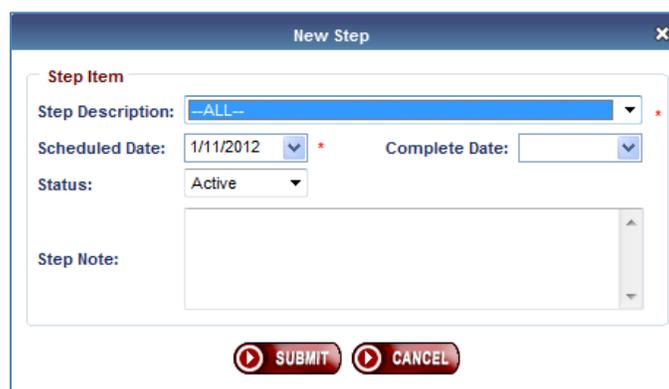
**Figure 7-154: Modify Letter Fields Window**

Note: The Annual Certification of Occupancy 2<sup>nd</sup> Request Letter is generated per the rules below:-

- If the NBS is available/active on the loan selected by HUD NSC Contractor in the Modify Letter Fields window, and the last surviving borrower is not deceased, the letter is generated with last surviving borrower along with selected NBS information. Additional letters can be generated
- If all the NBS are deactivated and no NBS is selected by HUD NSC Contractor in the Modify Letter Fields window, and the last surviving borrower is not deceased, the letter is generated without NBS information
- If at least one NBS is available/active on the loan selected by HUD NSC Contractor in the Modify Letter Fields window, and the last surviving borrower is deceased, the letter is generated with selected NBS information only

Step 13. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Annual Certification of Occupancy 2<sup>nd</sup> Request Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 14. The step **Telephone/Verbal Confirmation of Occupancy Made** is an optional step. To add an optional step, click **New**. Select the optional step from the **Step Description** dropdown and click **Submit** on the new window. The step will be added to the list of steps.



**Figure 7-155: New Step – Assigned Occupancy Compliance Certification**

Step 15. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 16. The step **Order Property Inspection** and SSI Search is automatically added by the system. The following criteria must be satisfied: 44 days have passed since step **Signed Anniversary Date** completion and step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 17. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 18. The step **Received Property Inspection** is automatically added by the system after an overnight process. The following criteria must be satisfied: nine days have passed since step **Order Property Inspection and SSI Search** is completed. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 19. To complete the step **Annual Occupancy Cert Letter Received**, the following steps must be completed first:

- Mail Annual Occupancy 2nd Request Letter.
- Telephone/Verbal confirmation of Occupancy Made and order Property Inspection and SSI search.

Step 20. Complete the step **Annual Occupancy Cert Letter Received**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 21. The system will trigger a new Occupancy Compliance Certification timeline upon completion of the step **Annual Occupancy Cert letter Received** on the anniversary date (Closing date) of the loan. The old timeline is automatically updated to an inactive status once a new timeline is created by the system.

Step 22. The step **Re-start Annual Occupancy Certification** is auto completed by the system when the scheduled date matches the current system date.

Step 23. To add an optional step, click **New**.

Step 24. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 25. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 26. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the **Assigned** menu, select **Compliance** and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** screen, enter the loan search criteria and click **Search**.



Step 7. The **Compliance Steps** screen for Occupancy Compliance Certification timeline is displayed.

The screenshot displays the STORM web application interface. At the top, there is a navigation bar with tabs for Home, Loan, Assigned, Endorsed, Accounting, Batch, Reports, and Logout. Below this, a sidebar on the left contains links for Loan Balance, Compliance Steps (highlighted), Servicing Mgmt, Notes, Documents, Contacts, and Alerts. The main content area is divided into several sections: Loan Information, Borrower Information, Servicer Information, and Balance Information. Below these is a section titled 'Step Information: Occupancy Compliance Certification' which includes a 'NEW' button and a table of steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Annual Occupancy Certification Letter Sent	01/12/2012		HUD Contractor		Active
2	Signed Anniversary Date	02/11/2012	02/11/2012	HUD Contractor		Active
3	Annual Occupancy Cert Letter Received	03/02/2012		HUD Contractor		Active
4	Re-start Annual Occupancy Certification	12/07/2012		HUD Contractor		Active

Figure 7-158: Timeline Steps – Assigned Occupancy Compliance Certification

### 7.4.1.2 Insurance - Hazard Policy

A mortgagor is required to maintain hazard insurance in an amount acceptable to HUD. The HUD NSC Contractor initiates this timeline to verify compliance with insurance requirements. This timeline is automatically created when a loan is established. However, it can also be initiated manually to track the renewal after the initial timeline. The system sends alerts to a HUD NSC Contractor 30 days before the expiration of the certificate of insurance.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Insurance Hazard Policy timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance - Hazard Policy** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

The screenshot shows the STORM web application interface. At the top, there is a navigation menu with tabs: Home, Loan, Assigned, Endorsed, Reports, and Logout. The 'Assigned' tab is selected. Below the navigation menu is the 'Assigned Compliance Setup Search' section. This section contains several input fields for search criteria: Loan Skey, Lender Loan #, FHA Case #, Case Status (set to 'Assigned'), Borrower LName, Property Address, Property State (set to '--ALL--'), Case Sub-Status (set to 'Loan Active'), Lender Name, Servicer Name, Investor Name, Index Type (set to '--ALL--'), and Property County (set to '--ALL--'). A 'SEARCH' button is located at the bottom right of this section. Below the search criteria is a 'Search Results' section with an 'Export to Excel' link. The search results are displayed in a table with the following columns: Loan Skey, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Borrower LName, Property Address, and Property State. The table contains 10 rows of data, all with 'Assigned' Case Status and 'Loan Active' Case Sub-Status.

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property State
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR
11111	111111111	111111111	Assigned	Loan Active	11111	1111111111111	AR

**Figure 7-159: Setup Search - Assigned Hazard Policy**

Step 3. From the search results, **select** a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, **select Insurance Hazard Policy** from the Servicing Type dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the Servicing Management tab after the initiation of timeline.

Figure 7-160: Edit Servicing Management – Assigned Hazard Policy

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit**. (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for Insurance Hazard Policy timeline is displayed.

Figure 7-161: Timeline Steps – Assigned Hazard Policy

Step 8. The step **Policy Effective** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Hazard Mortgage Clause** letter, click on the **magnifying glass** beside **Insurance Declaration Received** to preview the letter; the Modify Letter

Fields screen is displayed. Edit the subject and salutation and select **OK**. The Hazard Mortgage Clause Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Hazard Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the **Hazard Insurance Renewal Verification Letter**, click on the **magnifying glass** beside Mail Renewal Verification Letter to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The Hazard Insurance Renewal Verification Letter is displayed.

Step 12. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Hazard Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete steps in the timeline, click on the step, for example step **Policy Expires**.

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Policy Expires**.

Step 16. The step **Send 2<sup>nd</sup> Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of the step **Policy expires** and the step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 17. To complete the step **Send 2<sup>nd</sup> Request for Policy Verification**, select the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 18. The step **Notify Loan Counselor** is automatically added by the system after an overnight process. The following criteria must be satisfied: 14 or more days have passed since completion of the step **Send 2<sup>nd</sup> Request for Policy Verification** OR the optional step **Received Notification of Policy Cancellation** is completed.

Step 19. To add an optional step, click **New**.

Figure 7-162: New Step - Assigned Hazard Policy

- Step 20. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.
- Step 21. To complete the step, select the step and **populate** the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 22. Repeat the above instructions to add and complete other optional steps.
- Step 23. To generate the **Hazard Req – Proof of Insurance- 10 Day Letter**, click on the **magnifying glass** beside **Mail Certified Letter to Borrower** to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Hazard Req – Proof of Insurance- 10 Day Letter** is displayed.
- Step 24. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The **Hazard Req – Proof of Insurance- 10 Day Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.
- Step 25. Complete the step **Return Receipt Received from Borrower** when the receipt is received from the borrower. To complete the step, select it, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

#### 7.4.1.3 Insurance – Flood Policy

If a mortgaged property is located within a flood zone, the mortgagor should meet the flood insurance requirements in an amount acceptable by HUD. A HUD NSC Contractor initiates this timeline to verify actions required to comply with flood insurance requirements.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Insurance Flood Policy timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Flood Policy** timeline:

- Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.
- Step 2. The **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.



Step 6. Click **Submit**. (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for **Insurance Flood Policy** timeline is displayed.

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Today is: Wednesday, January 11, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Reports | Logout

Loan Balance | **Compliance Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: MAGNOLIA AR 71753  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$163,180.25  
Max Claim: \$154,896.00  
% of Max Claim: 105.348 %  
NPL: (\$506.35)  
[Print Loan Details](#)

[Go to Search Results](#)

Step Information: Insurance - Flood Policy

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Policy Effective	01/01/2012	01/11/2012	HUD Contractor		Active	0
2	Insurance Declaration Received	01/06/2012		HUD Contractor		Active	0
3	Mail Renewal Verification Letter	12/01/2012		HUD Contractor		Active	0
4	Policy Expires	12/31/2012		HUD Contractor		Active	0
5	Mail Certified Letter to Borrower	01/17/2013		HUD Contractor		Active	0
6	Return Receipt Received from Borrower	01/31/2013		HUD Contractor		Active	0

Figure 7-165: Timeline Steps – Assigned Flood Policy

Step 8. The **Step Policy Effective** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Flood Mortgage Clause Letter**, click the **magnifying glass** beside Insurance Declaration Received to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The **Flood Mortgage Clause Letter** is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Flood Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the **Flood Insurance Renewal Verification Letter**, click the **magnifying glass** beside Mail Renewal Verification Letter to preview the letter; the **Modify Letter Fields** screen is displayed. Edit the subject and salutation and select **OK**. The **Flood Insurance Renewal Verification Letter** is displayed.

Step 12. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Flood Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete steps in the timeline, click the step, For example step **Policy Expires**.

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Policy Expires**.

Step 16. The step **Send 2<sup>nd</sup> Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of the step **Policy Expires** and the step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 17. To complete the step **Send 2<sup>nd</sup> Request for Policy Verification**, select the step, populate the completion date, add a note in the notes field if applicable, and click **Submit** on **Edit Step** window as explained above.

Step 18. The step **Notify Loan Counselor** is automatically added by the system after an overnight process. The following criteria must be satisfied: 14 or more days have passed since completion of the step **Send 2<sup>nd</sup> Request for Policy Verification** OR the step **Received Notification of Policy Cancellation** (this is an optional step) is completed.

Step 19. To add an optional step, click **New**.

Step 20. Select an optional step (for example: Received Notification of Policy Cancellation) from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Figure 7-166: New Step – Assigned Flood Policy

Step 21. To complete the step, **Select** the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 22. Repeat the above instructions to add and complete other optional steps.

Step 23. To generate the **Flood Req – Proof of Insurance Letter**, click the **magnifying glass** beside **Mail Certified Letter to Borrower** to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Flood Req – Proof of Insurance Letter is displayed.

Step 24. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Flood Req – Proof of Insurance** Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.



Step 4. The **Compliance Steps** screen for Insurance/Loss Draft Administration timeline is displayed.

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Today is: Thursday, January 12, 2012

Home Loan Assigned Endorsed Accounting Batch Reports Logout

Loan Balance  
Compliance Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: [Redacted]  
PHOENIX  
AZ 85023  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$129,693.64  
Max Claim: \$112,000.00  
% of Max Claim: 115.798 %  
NPL: (\$792.60)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Insurance/Loss Draft Administration**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Initiate Insurance/Loss Draft Administration	01/01/2012	01/12/2012	HUD Contractor		Active
2	Verify Contract / Adjuster's Report Received	01/31/2012		HUD Contractor		Active
3	Issue First Third of Repair Funds	02/05/2012		HUD Contractor		Active
4	Order 50% Inspection	03/06/2012		HUD Contractor		Active
5	Issue Second Third of Repair Funds	03/11/2012		HUD Contractor		Active
6	Order Final Inspection	04/10/2012		HUD Contractor		Active
7	Disburse Final Funds / Send Lien Waiver	04/15/2012		HUD Contractor		Active

**Figure 7-168: Timeline Steps – Assigned Loss Draft Administration**

Step 5. Complete the steps in the timeline when the corresponding activity tied to the step is complete.

Step 6. The step **Initiate Insurance/Loss Draft Administration** is auto-completed by the system with the timeline created date.

Step 7. To complete remaining steps, **select** the step you want to complete, populate the complete date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 8. To add an optional step, click **New**.

**New Step**

**Step Item**

Step Description: --ALL-- \*

Scheduled Date: 1/11/2012 \* Complete Date: \*

Status: Active

Step Note:

**SUBMIT** **CANCEL**

**Figure 7-169: New Step for Loss Draft Administration**

Step 9. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 10. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 11. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the Assigned menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

The screenshot shows the STORM web application interface. At the top, there is a header with the STORM logo and the tagline 'Servicing Technology on Reverse Mortgages'. Below the header, there is a navigation menu with options: Home, Loan, Assigned, Endorsed, Reports, and Logout. The main content area is titled 'Assigned Compliance Setup Search'. It contains several search filters: Loan Skey, Lender Loan #, FHA Case #, Case Status (set to 'Assigned'), Borrower LName, Property Address, Property State (set to '--ALL--'), Case Sub-Status (set to 'Loan Active'), Lender Name, Servicer Name, Investor Name, Index Type, and Property County. A 'SEARCH' button is located at the bottom right of the search filters. Below the search filters, there is a 'Search Results' section with an 'Export to Excel' link. The search results are displayed in a table with the following columns: Loan Skey, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Borrower LName, Property Address, and Property State. The table contains 10 rows of data, all with 'Assigned' Case Status and 'Loan Active' Case Sub-Status.

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property State
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	111111	111111111111	AR

**Figure 7-170: Setup Search – Assigned Loss Draft Administration**

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Insurance/Loss Draft Administration from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

**Servicing Management Information**

Servicing Type: Insurance/Loss Draft Administration  
 Timeline Status: Active  
 Initiation Date: 1/1/2012  
 Responsible Party: [Redacted]  
 Contractor: [Redacted]  
 Inspector: [Redacted]

**Step Information**

#	Step Description	# Days	Sched Date
1	Initiate Insurance/Loss Draft Administration	0	01/01/2012
2	Verify Contract / Adjuster's Report Received	30	01/31/2012
3	Issue First Third of Repair Funds	35	02/05/2012
4	Order 50% Inspection	65	03/06/2012
5	Issue Second Third of Repair Funds	70	03/11/2012
6	Order Final Inspection	100	04/10/2012
7	Disburse Final Funds / Send Lien Waiver	105	04/15/2012

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

**Figure 7-171: Editing Servicing Management – Assigned Loss Draft Administration**

- Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).
- Step 6. Click **Submit**. (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).
- Step 7. The **Compliance Steps** screen for **Request for Insurance/Loss Draft Administration** timeline is displayed.

Welcome: [Redacted]    [Edit Profile](#)    [Help](#)  
 Today is: Thursday, January 12, 2012

**STORM**  
 Servicing Technology on Reverse Mortgages

Home    Loan    Assigned    Endorsed    Accounting    Batch    Reports    Logout

Loan Balance  
 Compliance Steps  
 Servicing Mgmt  
 Notes  
 Documents  
 Contacts  
 Alerts

**Loan Information**  
 FHA Case #: [Redacted]  
 Loan Key: [Redacted]  
 Case Status: Assigned  
 Case Sub-Status: Loan Active  
 Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
 Borrower: [Redacted]  
 SSN: [Redacted]  
 DOB: [Redacted]  
 Address: PHOENIX, AZ 85023  
 Co-Borrower: MARY JOHNSON

**Servicer Information**  
 Lender Loan #: [Redacted]  
 Servicer #: [Redacted]  
 Lender Name: [Redacted]  
 Servicer Name: [Redacted]  
 Investor Name: [Redacted]

**Balance Information**  
 Pay Plan Type: Line of Credit  
 Loan Balance: \$129,693.64  
 Max Claim: \$112,000.00  
 % of Max Claim: 115.798 %  
 NPL: (\$792.60)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Insurance/Loss Draft Administration**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Initiate Insurance/Loss Draft Administration	01/01/2012	01/12/2012	HUD Contractor		Active
2	Verify Contract / Adjuster's Report Received	01/31/2012		HUD Contractor		Active
3	Issue First Third of Repair Funds	02/05/2012		HUD Contractor		Active
4	Order 50% Inspection	03/06/2012		HUD Contractor		Active
5	Issue Second Third of Repair Funds	03/11/2012		HUD Contractor		Active
6	Order Final Inspection	04/10/2012		HUD Contractor		Active
7	Disburse Final Funds / Send Lien Waiver	04/15/2012		HUD Contractor		Active

**Figure 7-172: Timeline Steps – Assigned Loss Draft Administration**

Step 8. To add multiple **Insurance/Loss Draft Administration** timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

#### 7.4.1.5 Request for Unscheduled Advance

A HUD NSC Contractor initiates this timeline when an unscheduled advance request is received from the mortgagor. This timeline can be initiated only if the pay plan type is modified term, modified tenure or line of credit.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Multiple active Unscheduled Advance timelines can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Request for Unscheduled Advance** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. On the Assigned **Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

Search Results

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property State
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR
11111	11111111	11111111	Assigned	Loan Active	11111	111111111111	AR

Figure 7-173: Compliance setup for Unscheduled Advance

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Request for Unscheduled Advance from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Figure 7-174: Editing Servicing Management – Assigned Unscheduled Advance**

- Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).
- Step 6. Click **Submit** (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).
- Step 7. The **Compliance Steps** screen for Request for Unscheduled Advance timeline is displayed.

**Figure 7-175: Timeline Steps – Assigned Unscheduled Advance**

- Step 8. Complete the steps in the timeline when activity corresponding to the step is complete.
- Step 9. The step **Request for funds Received from Borrower** is pre-populated with the created date of the timeline. This step is auto-completed.

Step 10. To complete remaining steps, Request for funds verified by Loan Counselor and Cash Management Approved Unscheduled Request for Funds, **select** the step, populate the complete date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. To add an optional step (Contacted borrower/POA for further verification or Unable to Verify / Void Request for Funds) click **New**.

**Figure 7-176: New Step - Assigned Unscheduled Advance**

Step 12. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 13. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 14. Repeat the above instructions to add and complete other optional steps.

To add multiple requests for Unscheduled Advance timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

#### 7.4.1.6 Taxes Delinquent

When the mortgagor defaults on taxes, a HUD NSC Contractor initiates this timeline to track the tax payment. The delinquent notification is sent to the mortgagor requesting the tax payment to avoid the loan becoming due and payable. The system will automatically initiate the timeline if the FARETS file processed includes the corresponding FHA Case #.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Multiple active Taxes Delinquent timelines can be initiated on a loan to track multiple delinquencies. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Taxes Delinquent** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.



Step 7. The **Compliance Steps** screen for Taxes Delinquent timeline is displayed.

The screenshot shows the STORM interface with the following sections:

- Loan Information:** FHA Case #, Loan Key, Case Status: Assigned, Case Sub-Status: Loan Active, Product Type: HECM STANDARD, Go to Loan Search.
- Borrower Information:** Borrower, SSN, DOB, Address: SCOTTSDALE AZ 85251, Co-Borrower.
- Servicer Information:** Lender Loan #, Servicer #, Lender Name, Servicer Name, Investor Name.
- Balance Information:** Pay Plan Type: Modified Tenure, Loan Balance: \$1,743.43, Max Claim: \$230,000.00, % of Max Claim: 0.758 %, NPL: \$252,694.73, Print Loan Details.

The **Compliance Steps** section shows a table of steps:

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create D
1	Delinquent Notification Received	01/01/2012	01/12/2012	HUD Contractor		Active	01/12/2012
2	Mail Borrower Delinquent Letter	01/01/2012		HUD Contractor		Active	01/12/2012
3	Received Proof of Taxes Paid	01/11/2012		HUD Contractor		Active	01/12/2012

**Figure 7-179: Timeline Steps – Assigned Taxes Delinquent**

Step 8. The step **Delinquent Notification Received** completion date is pre-populated with the timeline created date. If timeline initiated by the system, this step is completed with the date the FARETS file was processed for the corresponding FHA Case #.

Step 9. To generate the Taxes Delinquent – 10 Day Letter, click the **magnifying glass** beside **Mail Borrower Delinquent Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Taxes Delinquent – 10 Day Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The Taxes Delinquent – 10 Day Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. If proof of taxes paid is received, complete the step **Received Proof of Taxes Paid**. To complete step in the timeline, click the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 12. If authorization received to pay taxes, add the optional step **Authorization Received/Pay Taxes**.

Step 13. To add an optional steps click **New**.

Step 14. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new screen. The step will be added to the list of step.

Step 15. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

**Figure 7-180: New Step- Assigned Taxes Delinquent**

- Step 16. To pay the taxes, the HUD NSC Contractor must select the Servicing Management tab. On the Servicing Management tab, click **Pay Taxes**. A new screen is displayed with New Tax Disbursement; select the Payee from the dropdown and click **Submit**. A new screen is displayed with **Edit Disbursement**; populate the disbursement amount and click **Submit**. The Disbursements tab is displayed with the new Taxes transaction.
- Step 17. To trigger the step, **Mail Letter of Taxes Paid**, the following criteria must be satisfied: The optional step Authorization Received/Pay Taxes must be added on the timeline and completed and the taxes must be paid as explained in the above step.
- Step 18. To generate the **Taxes Delinquent/Paid For Borrower** Letter, click on the magnifying glass beside **Mail Letter of Taxes Paid** step to preview the letter, the Modify Letter Fields window is displayed. Edit the Subject and Salutation and select **OK**. The **Taxes Delinquent/Paid For Borrower Letter** is displayed.
- Step 19. The printer icon beside the step allows the HUD Contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields screen is displayed. Edit the Subject and Salutation and select **OK**. The **Taxes Delinquent/Paid For Borrower Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.
- Step 20. Repeat the above instructions to add and complete other optional steps.
- Step 21. To add multiple Taxes Delinquent timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

## 7.4.2 Disposition Timelines

### 7.4.2.1 Due and Payable

The Due & Payable timeline is initiated by a HUD NSC Contractor to record the Due and Payable event. The HUD NSC Contractor does not need HUD NSC staff approval on this timeline.

When a HUD NSC Contractor populates the death date of last surviving mortgagor on the Contact Screen, the system automatically initiates the Due & Payable timeline with the default reason of Death. For all other default reasons, a HUD NSC Contractor must manually initiate the timeline.

When this timeline is initiated, the case sub-status is updated to Due and Payable. If the timeline is inactivated, the case sub-status is updated accordingly.



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 Today is: Friday, January 13, 2012

> [Loan](#) > [Contacts](#)

Home | **Loan** | [Assigned](#) | [Endorsed](#) | [Reports](#) | [Logout](#)

Loan Information	Borrower Information	Servicer Information	Balance Information
FHA Case #: [Value] Loan Key: [Value] Case Status: Assigned Case Sub-Status: Loan Active Product Type: HECM STANDARD <a href="#">Go to Loan Search</a>	Borrower: [Value] SSN: [Value] DOB: [Value] Address: LONG BEACH CA 90808 Co-Borrower: [Value]	Lender Loan #: [Value] Servicer #: [Value] Lender Name: [Value] Servicer Name: [Value] Investor Name: [Value]	Pay Plan Type: Modified Term Loan Balance: \$208,610.05 Max Claim: \$160,950.00 % of Max Claim: 129.612 % NPL: \$69,236.28 <a href="#">Print Loan Details</a>

**Contact Information**

**NEW** [Death Interactive Search](#)

Contact Type	Last Name	First Name	DOB	Address	City	State	Zip	Create Date	Created By	Cha
Borrower	[Value]	[Value]	[Value]	[Value]	LONG BEACH	CA	90808	06/29/2011 05:11:23 PM	[Value]	[Value]
Alternate Contact	[Value]	[Value]	[Value]	[Value]	Canyon Lake	CA	92587	06/29/2011 05:11:23 PM	[Value]	[Value]

Loan Balance  
 Loan Details  
 Transactions  
**Contacts**  
 Property  
 Documents  
 Notes  
 Alerts  
 Change Of Plan  
 Payoff  
 Statement  
 Disbursement  
 Servicer Info  
 Servicer Request  
 Bank Account

Figure 7-182: Contact Information - Assigned Due and Payable

Step 6. Select the **Document** icon beside the last surviving borrower contact name.

Contact Info

Contact: Borrower

**Contact Name & Address**

First Name: [Value] Mid: [Value] Last: [Value]  
 Address 1: [Value]  
 Address 2: [Value]  
 City: LONG BEACH State: CA Zip: 90808  
 Birth Date: [Value] Age: [Value]

**Other Information**

Marital: [Value] Email: [Value] Home #: [Value]  
 Gender: [Value] Emergency Contact:   
 Language: English Authorized Contact:  Work #: [Value]  
 Death Date: 1/12/2012 Cell #: [Value] Fax #: [Value]

**Contact Mailing Info**

**SAME AS CONTACT ADDRESS**

First Name: [Value] Mid: [Value] Last: [Value]  
 Address 1: [Value]  
 Address 2: [Value]  
 City: LONG BEACH State: California Zip: 90808

**Audit Information**

Create Date: 6/29/2011 5:11:23 PM Created By: [Value]  
 Change Date: [Value] Changed By: [Value]

**SUBMIT** **CANCEL**

Figure 7-183: Contact Information – Assigned Due and Payable

Step 7. Populate the Death Date on the contact information screen and click **Submit**. The case sub-status is updated to Due and Payable. The system will automatically initiate the **Due and Payable** timeline for this loan.

Step 8. From the **Assigned** menu, select **Disposition** and click **Search**.

Step 9. On the **Assigned Disposition** Search Screen, enter the search criteria, select Servicing Type to Due and Payable and click **Submit** to retrieve the timeline that has been auto-initiated by the system.

Welcome: [User] Edit Profile Help  
Today is: Friday, January 13, 2012

> Assigned > Disposition Search

Home Loan Assigned Endorsed Reports Logout

**Assigned Disposition Search**

**Loan Information:**

Loan Key:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Assigned Case Sub-Status: --ALL-- Responsible: --ALL--

**Servicing Management Criteria:**

Servicing Type: Due & Payable Servicing Status: --ALL-- Step: --ALL--

Timeline Status: All Active Current Step Group: --ALL-- Step Status: --ALL--

Scheduled Date:  <=

Completion Date:  <=

Step Group: --ALL--

**SEARCH**

**Search Results**

[Export to Excel](#)

Loan Key	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
			Assigned	Due & Payable	Due & Payable	Active	Mail Condolence / Repayment Letter

**Figure 7-184: Disposition Search – Assigned Due and Payable**

Step 10. Select the loan to view or edit the timeline.

Step 11. The **Disposition Steps** screen for Due and Payable timeline is displayed.

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Home Loan Assigned Endorsed Reports Logout

**Disposition Steps**

**Loan Information**

FHA Case #:   
Loan Key:   
Case Status: Assigned  
Case Sub-Status: Due & Payable  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**

Borrower:   
SSN:   
DOB:   
Address:   
LONG BEACH  
CA 90808  
Co-Borrower:

**Servicer Information**

Lender Loan #:   
Servicer #:   
Lender Name:   
Servicer Name:   
Investor Name:

**Balance Information**

Pay Plan Type: Modified Term  
Loan Balance: \$208,610.05  
Max Claim: \$160,950.00  
% of Max Claim: 129.612 %  
NPL: \$69,236.28  
[Print Loan Details](#)

[Go to Search Results](#)

**Step Information: Due & Payable**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create
1	Disposition Event Occurred	01/12/2012	01/12/2012	HUD Contractor		Active	01/13/2012
2	Mail Condolence / Repayment Letter	01/14/2012		HUD Contractor		Active	01/13/2012
3	Mail Loss Mit Letter(s)	01/14/2012		HUD Contractor		Active	01/13/2012
4	Follow Up Phone Attempt	02/18/2012		HUD Contractor		Active	01/13/2012

**Figure 7-185: Timeline Steps – Assigned Due & Payable**

Step 12. The step **Disposition Even Occurred** completion date is pre-populated with the Death Date.

Step 13. To generate the Condolence Letter, click the magnifying glass beside the **Mail Condolence / Repayment Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Condolence Letter is displayed.

Step 14. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields

screen is displayed. Edit the subject and salutation and select **OK**. The **Condolence Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 15. To generate the **Loss Mitigation** letter, click the **magnifying glass** beside the **Mail Loss Mit Letter(s)** step to preview the letter; the Loss Mitigation letter is displayed. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab.

Step 16. Select the printer icon; the **Loss Mitigation letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 17. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step **Follow Up Phone Attempt**.

**Figure 7-186: Edit Step – Assigned Due and Payable**

Step 18. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 19. The completion date is populated beside the step **Follow Up Phone Attempt** on the **Disposition Steps** screen.

Step 20. To add an optional step, click **New**.

**Figure 7-187: New Step for Due and Payable**



**Servicing Management Information**

Servicing Type: Due & Payable  
Timeline Status: Active  
Initiation Date: 1/13/2012  
Responsible Party: [Redacted]  
Default Reason: Paragraph 9. Grounds for Acceleration of Debt: (a) Due and Payable. Lender may require immediate payment in full of all sums secured by this Mortgage/Deed of Trust if: (i) All of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other  
Default Date: 1/3/2012

**Step Information**

#	Step Description	# Days	Sched Date
1	Disposition Event Occurred	0	01/13/2012
2	(ltr) Mail Condolence / Repayment Letter	2	01/15/2012
3	(ltr) Mail Loss Mit Letter(s)	2	01/15/2012
4	Follow Up Phone Attempt	37	02/19/2012

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

**Figure 7-189: Edit Servicing Management - Assigned Due and Payable**

Step 5. Click the Checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Due & Payable timeline is displayed.

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Home Loan Assigned Endorsed Reports Logout

Loan Balance  
Disposition Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Due & Payable  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: LONG BEACH CA 90808  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Modified Term  
Loan Balance: \$208,610.05  
Max Claim: \$160,950.00  
% of Max Claim: 129.612 %  
NPL: \$69,236.28  
[Print Loan Details](#)

[Go to Search Results](#)

**Step Information: Due & Payable**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Created
1	Disposition Event Occurred	01/12/2012	01/12/2012	HUD Contractor		Active	01/13/2012
2	Mail Condolence / Repayment Letter	01/14/2012		HUD Contractor		Active	01/13/2012
3	Mail Loss Mit Letter(s)	01/14/2012		HUD Contractor		Active	01/13/2012
4	Follow Up Phone Attempt	02/18/2012		HUD Contractor		Active	01/13/2012

**Figure 7-190: Timeline Steps – Assigned Due and Payable**

Step 8. The step **Disposition Even Occurred** completion date is pre-populated with the timeline created date.

Step 9. To generate the Repayment Letter, click the magnifying glass beside **Mail Condolence / Repayment Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Repayment Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Repayment Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the Loss Mitigation letter, click the **magnifying glass** beside the **Mail Loss Mit Letter(s)** step to preview the letter; the Loss Mitigation letter is displayed.

Step 12. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Loss Mitigation letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step **Follow Up Phone Attempt**.

The screenshot shows a window titled "Edit Step" with a close button (X) in the top right corner. The window is divided into two main sections: "Step Item" and "Audit Information".

**Step Item Section:**

- Step Description:** Follow Up Phone Attempt
- Scheduled Date:** 2/18/2012 (with a dropdown arrow and an asterisk)
- Complete Date:** 1/13/2012 (with a dropdown arrow)
- Status:** Active (with a dropdown arrow)
- Step Note:** A text area containing the text "Step Completed".

**Audit Information Section:**

- Create Date:** 1/13/2012 5:22:28 PM
- Created By:** [Redacted]
- Change Date:** [Redacted]
- Changed By:** [Redacted]

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

**Figure 7-191: Edit Step – Assigned Due and Payable**

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Follow Up Phone Attempt** on the **Disposition Steps** screen.

Step 16. To add an optional step click **New**.

**Figure 7-192: New Step – Assigned Due and Payable**

Step 17. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 18. To complete the step, select the step and populate the completion date, add a note in the notes field if applicable, click **Submit** on the **Edit Step window**.

Step 19. Repeat the above instructions to add and complete other optional steps

#### **7.4.2.2 Loss Mitigation - Deed-in-Lieu**

A HUD NSC Contractor initiates a Loss Mitigation – Deed-in-Lieu (DIL) timeline when a mortgagor is willing to surrender the property to the mortgagee (HUD) and to be released from the mortgage obligations. This timeline is initiated and completed by a HUD NSC Contractor to track the Deed-in-Lieu process; it does not require HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to DIL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Deed-in-Lieu timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the attorney information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Deed-in-Lieu** timeline:

- Step 1. From the **Assigned** menu, select Disposition, under **Disposition**, and click **Setup**.
- Step 2. On the Assigned **Disposition Setup Search** Screen, enter the loan search criteria and click **Search**.

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> Assigned > Disposition Setup

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Assigned Disposition Setup Search

Loan Skey:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Assigned Case Sub-Status: Loan Active Index Type: --ALL--  
Property County: --ALL--

SEARCH

Search Results

Export to Excel

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property Stat
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA
12345	123456789	123456789	Assigned	Loan Active	123456	123456789	CA

Figure 7-193: Disposition Search for Loss Mitigation Deed-In-Lieu

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Loss Mitigation – Deed-in-Lieu from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Edit Servicing Management

Servicing Management Information

Servicing Type: \* Loss Mitigation - Deed-in-Lieu

Timeline Status: Active

Initiation Date: \* 1/13/2012

Responsible Party: [User]

Attorney: [User]

Step Information

#	Step Description	# Days	Sched Date
1	Initiate DIL	0	01/13/2012
2	(ltr) Refer to Atty for DIL	2	01/15/2012
3	Review Title Report from Attorney	30	02/12/2012
4	Atty Instructed to have Deed Executed per Referral Instructn	40	02/22/2012
5	Order Occupancy Inspection	40	02/22/2012
6	Inspection Received - Verified as Vacant	50	03/03/2012
7	Atty Instructed to Record Executed Deed (Copy Received)	55	03/08/2012
8	Copy of Recorded Deed Received	80	04/02/2012
9	Conveyance File Sent to Cash Management	82	04/04/2012
10	Send Release Authorization to Release Dept.	82	04/04/2012
11	Loan Closed - Release Received	82	04/04/2012

Go to Servicing Steps after Submit

SUBMIT CANCEL

Figure 7-194: Edit Servicing Management – Assigned Loss Mitigation DIL

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Deed-in-Lieu timeline is displayed.

The screenshot displays the STORM Servicing Technology on Reverse Mortgages interface. The top navigation bar includes Home, Loan, Assigned, Endorsed, Reports, and Logout. The left sidebar contains Loan Balance, Disposition Steps (selected), Servicing Mgmt, Notes, Documents, Contacts, and Alerts. The main content area is divided into several sections: Loan Information, Borrower Information, Servicer Information, and Balance Information. Below these is a 'Step Information: Loss Mitigation - Deed-in-Lieu' section with a 'NEW' button and a table of steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Sta
1	Initiate DIL	01/13/2012	01/13/2012	HUD Contractor		Act
2	Refer to Atty for DIL	01/15/2012		HUD Contractor		Act
3	Review Title Report from Attorney	02/12/2012		HUD Contractor		Act
4	Atty Instructed to have Deed Executed per Referral Instructn	02/22/2012		HUD Contractor		Act
5	Order Occupancy Inspection	02/22/2012		HUD Contractor		Act
6	Inspection Received - Verified as Vacant	03/03/2012		HUD Contractor		Act
7	Atty Instructed to Record Executed Deed (Copy Received)	03/08/2012		HUD Contractor		Act
8	Copy of Recorded Deed Received	04/02/2012		HUD Contractor		Act
9	Conveyance File Sent to Cash Management	04/04/2012		HUD Contractor		Act
10	Send Release Authorization to Release Dept.	04/04/2012		HUD Contractor		Act
11	Loan Conveyed - Balances Removed	04/12/2012		HUD Contractor		Act
12	Final Title Policy Received / Sent to HOC	04/17/2012		HUD Contractor		Act

**Figure 7-195: Timeline Steps – Assigned Loss Mitigation DIL**

Step 8. The step **Initiate DIL** completion date is pre-populated with the timeline created date.

Step 9. To generate the Deed-In-Lieu Attorney Referral Letter, click the magnifying glass beside the **Mail Condolence / Repayment Letter** step to preview the letter, the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Deed-In-Lieu Attorney Referral Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Deed-In-Lieu Attorney Referral Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example, step **Review Title Report from Attorney**).

**Figure 7-196: Edit Step – Assigned Loss Mitigation DIL**

Step 12. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 13. The **completion date** is populated beside the step Review Title Report from Attorney on the **Disposition Steps** screen.

Step 14. Repeat the steps above to complete the other remaining steps.

Step 15. To generate the Loan Removal and Conveyance sheet, click the **magnifying glass** beside Loan Conveyed - Balances Removed step to update and print the Loan Removal and Conveyance sheet.

Step 16. A new screen is displayed with the **Loan Removal and Conveyance** sheet with options to review and print document. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document.

Step 17. To auto-save the changes made to the document select the Print Document link. Select Open on the File Download pop-up window. This action will save the updated **Loan Removal and Conveyance** sheet to the Documents tab. Refresh the screen to auto-complete the step.

Step 18. To add an optional step, click **New**.

**Figure 7-197: New Step – Assigned Loss Mitigation DIL**



**Servicing Management Information**

Servicing Type: Loss Mitigation - Family Sale Pending

Timeline Status: Active

Initiation Date: 1/13/2012

Responsible Party: ROGERS

**Step Information**

#	Step Description	# Days	Sched Date
1	Initiate Family Sale Pending	0	01/13/2012
2	Received Listing Agreement	10	01/23/2012
3	Received Copy of Offer and Sales Contract	240	09/09/2012
4	Received Sales Proceeds	285	10/24/2012
5	Send Release Authorization to Release Dept.	287	10/26/2012

Go to Servicing Steps after Submit

SUBMIT CANCEL

**Figure 7-199: Edit Servicing Management – Assigned Family Sale Pending**

- Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).
- Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Disposition Setup Search Screen will be displayed).
- Step 7. The **Disposition Steps** screen for Loss Mitigation – Family Sale Pending timeline is displayed.

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Loan Balance  
Disposition Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Family Sale Pending  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: ROGERS AR 72758  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$128,083.10  
Max Claim: \$126,000.00  
% of Max Claim: 101.653 %  
NPL: (\$143.39)  
[Print Loan Details](#)

**Step Information: Loss Mitigation - Family Sale Pending**

NEW

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Initiate Family Sale Pending	01/13/2012	01/13/2012	HUD Contractor		Active	0
2	Received Listing Agreement	01/23/2012		HUD Contractor		Active	0
3	Received Copy of Offer and Sales Contract	09/09/2012		HUD Contractor		Active	0
4	Received Sales Proceeds	10/24/2012		HUD Contractor		Active	0
5	Send Release Authorization to Release Dept.	10/26/2012		HUD Contractor		Active	0

**Figure 7-200: Timeline Steps – Assigned Loss Mitigation Family Sale Pending**

- Step 8. The step **Initiate Family Sale Pending** completion date is pre-populated with the timeline created date.
- Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Received Listing Agreement**.

**Figure 7-201: Edit Step – Assigned Family Sale Pending**

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step Received Listing Agreement on the **Disposition Steps** screen.

Step 12. To trigger the step **Follow up for Status of Sales Effort**, the following criteria must be satisfied:

- Less than 8 months since step Initiate Family Sale Pending was completed
- 30 or more days passed since optional step Follow Up was completed
- Step Received Sales Proceeds has not been completed

Step 13. Complete **Follow up for Status of Sales Effort** step.

Step 14. To add an optional step, click **New**.

**Figure 7-202: New Step – Assigned Family Sale Pending**

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new screen. The step will be added to the list of steps.

Step 16. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 17. Repeat the above instructions to add and complete other optional steps.

### 7.4.2.4 Loss Mitigation – Short Sale

This timeline is initiated by a HUD NSC Contractor to track a short sale on a HECM loan. A short sale is when a HECM loan is sold by the mortgagor for less than the payoff amount or less than the appraised value of the property.

If the loan is Due & Payable the property must sell for no less than a certain threshold percentage of the appraised value as established by HUD. If the loan is not Due & Payable then the sale price of the property must be the appraised value. This timeline is initiated and completed by a HUD NSC Contractor; this timeline **requires** HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Short Sale Initiated. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Short Sale timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit the short sale information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Short Sale** timeline:

Step 1. From the **Assigned** menu, select **Disposition** and click **Setup**.

Step 2. On the **Assigned Disposition Setup Search** Screen, enter the loan search criteria and click **Search**.

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property Stat
12345	123456789	123456789	Assigned	Loan Active	12345	123456789	CA
12346	123456790	123456790	Assigned	Loan Active	12346	123456790	CA
12347	123456791	123456791	Assigned	Loan Active	12347	123456791	CA
12348	123456792	123456792	Assigned	Loan Active	12348	123456792	CA
12349	123456793	123456793	Assigned	Loan Active	12349	123456793	CA
12350	123456794	123456794	Assigned	Loan Active	12350	123456794	CA
12351	123456795	123456795	Assigned	Loan Active	12351	123456795	CA
12352	123456796	123456796	Assigned	Loan Active	12352	123456796	CA
12353	123456797	123456797	Assigned	Loan Active	12353	123456797	CA
12354	123456798	123456798	Assigned	Loan Active	12354	123456798	CA
12355	123456799	123456799	Assigned	Loan Active	12355	123456799	CA

Figure 7-203: Disposition Setup Search – Assigned Short Sale

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Loss Mitigation – Short Sale from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The short sale information can be edited on the **Servicing Management** tab after the initiation of a timeline.

#	Step Description	# Days	Sched Date
1	Initiate Short Sale Process	0	01/13/2012
2	Received Required Documents	20	02/13/2012
3	(ltr) Prepare Short Sale Calculation Worksheet	25	02/21/2012
4	Send Short Sale Approval request to HUD	26	02/22/2012
5	Received Closing Proceeds	51	03/28/2012

**Figure 7-204: Edit Servicing Management – Assigned Short Sale**

Step 5. Click the Checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Screen).

Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Short Sale timeline is displayed.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cr
1	Initiate Short Sale Process	01/13/2012	01/13/2012	HUD Contractor		Active	01/
2	Received Required Documents	02/13/2012		HUD Contractor		Active	01/
3	Prepare Short Sale Calculation Worksheet	02/21/2012		HUD Contractor		Active	01/
4	Send Short Sale Approval request to HUD	02/22/2012		HUD Contractor		Active	01/
5	Received Closing Proceeds	03/28/2012		HUD Contractor		Active	01/

**Figure 7-205: Timeline Steps – Assigned Loss Mitigation Short Sale**

Step 8. The step Initiate Short Sale Process completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Received Required Documents**.

**Figure 7-206: Edit Step - Assigned Short Sale**

- Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 11. The completion date is populated beside the step **Received Required Documents** on the **Disposition Steps** screen.
- Step 12. To generate the **Short Sale Calculation** worksheet, click the **magnifying glass** beside Prepare Short Sale Calculation Worksheet step to update and print the Short sale calculation worksheet.
- Step 13. A new window is displayed with the **Short sale calculation** worksheet with options to update calculations, Preview and Print Worksheet. Update the calculation worksheet as needed.
- Step 14. Once the changes have been made, select the Preview Worksheet link to view the updated document. To auto-save the changes made to the document select the Print Worksheet link. Select **Open** on the File Download pop-up window. This action will save the updated Short sale calculation worksheet to the Documents tab. **Refresh** the screen to auto-complete the step.
- Step 15. Repeat the steps above to complete the other remaining steps.
- Step 16. To add an optional step Short Sale Pending Additional Documentation, click **New**.

**Figure 7-207: New Step for Short Sale**

- Step 17. Select the optional step from the **Step Description** dropdown click **Submit** on the new window. The step will be added to the list of steps.
- Step 18. To generate the **Short Sale Pending Letter**, click the **magnifying glass** beside Short Sale Pending Additional Documentation step to update and print the Short sale Pending Letter. A new screen is displayed with the **Short Sale Pending Letter** with options to preview or print the document.
- Step 19. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the Print Document link. Click **Open** on the File Download pop-up screen. This action will save the updated Short sale Pending Letter to the Documents tab. **Refresh** the screen to auto-complete the step.
- Step 20. **HUD NSC Staff:** Only the step group HUD can add the optional steps **Short Sale Approved** by HUD or Short Sale Denied by HUD. To add and complete the step, click **New**.
- Step 21. Select the optional step from the **Step Description** dropdown and click **Submit** on the new screen. The step will be added to the list of steps.
- Step 22. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.
- Step 23. The next step will be performed by HUD NSC Contractor if the short sale was approved by HUD.
- Step 24. The HUD NSC Contractor will add the optional step **Send Short Sale Approval Letter**. Click **New**, select the optional step from the step description dropdown, and click **Submit** on the new screen. The step will be added to the list of steps.
- Step 25. To generate the **Short Sale Approval Letter**, click the **magnifying glass** beside Send Short Sale Approval Letter step to update and print the **Short Sale Approval Letter**. A new screen is displayed with the Short Sale Approval Letter with options to Preview and Print Document.
- Step 26. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the Print Document link. Select Open on the File Download pop-up screen. This action will save the updated **Short Sale Approval Letter** to the **Documents** tab. Refresh the screen to auto-complete the step.

#### 7.4.2.5 Loss Mitigation – Pre-Foreclosure

If the mortgagor's loan becomes due and payable, the HUD NSC Contractor initiates this timeline to track pre-foreclosure activities until the loan is referred for Foreclosure. This timeline is initiated and completed by a HUD NSC Contractor and **requires** HUD NSC Staff approval. When this timeline is initiated, the case sub-status is updated to Loss Mit/Pre FCL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation – Pre-Foreclosure timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit the attorney and default reason. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Pre-foreclosure** timeline:



**Figure 7-209: Edit Servicing Management – Assigned Pre-Foreclosure**

- Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).
- Step 6. Click **Submit** (Note: If you click **Cancel**, the Assigned Disposition Setup Search Screen will be displayed).
- Step 7. The **Disposition Steps** screen for Loss Mitigation – Pre-Foreclosure timeline is displayed.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cre
1	Prepare Foreclosure Check List	01/03/2012		HUD Contractor		Active	01/1:
2	Prepare Form 92218	01/03/2012		HUD Contractor		Active	01/1:
3	Request Approval by HUD to Foreclose	01/04/2012		HUD Contractor		Active	01/1:
4	Transfer to Foreclosure Department	01/09/2012		HUD Contractor		Active	01/1:
5	Send NOI and Occupied Conveyance	01/11/2012		HUD Contractor		Active	01/1:
6	NOI Timeframe expired	02/10/2012		HUD Contractor		Active	01/1:

**Figure 7-210: Timeline Steps – Assigned Loss Mitigation Pre-Foreclosure**

- Step 8. To **generate** the HECM **Foreclosure/DIL checklist** for HUD approval, click the **magnifying glass** beside Prepare Foreclosure Check List step to update and print the HECM Foreclosure/DIL checklist. A new screen is displayed with the Foreclosure/DIL checklist with options to Preview Document and Print Document.

Step 9. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. **Select** Open on the File Download pop-up window. This action will save the updated HECM **Foreclosure/DIL checklist** to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 10. To **generate** the **Foreclosure check sheet**, click the **magnifying glass** beside **Prepare Form 92218 step** to update and print the Foreclosure check sheet. A new screen is displayed with the Foreclosure check sheet with options to Preview Document and Print Document.

Step 11. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document link**. **Select** Open on the File Download pop-up window. This action will save the updated **Foreclosure check sheet** to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 12. Complete the step **“Request Approval by HUD to Foreclose”** when the request has been sent for HUD approval to initiate the foreclosure proceedings.

The screenshot shows a window titled "Edit Step" with a close button (X) in the top right corner. The window is divided into two main sections: "Step Item" and "Audit Information".

**Step Item Section:**

- Step Description:** Request Approval by HUD to Foreclose
- Scheduled Date:** 1/4/2012 (with a dropdown arrow and an asterisk)
- Complete Date:** 1/13/2012 (with a dropdown arrow)
- Status:** Active (with a dropdown arrow)
- Step Note:** A text area containing the text "Step Completed."

**Audit Information Section:**

- Create Date:** 1/13/2012 3:50:06 PM
- Created By:** [Redacted]
- Change Date:** [Empty]
- Changed By:** [Redacted]

At the bottom of the window, there are two buttons: "SUBMIT" and "CANCEL", both with a play icon to their left.

Figure 7-211: Edit Step – Assigned Pre-Foreclosure

#### 7.4.2.5.2 HUD NSC Staff Activities

HUD NSC Staff must perform the following steps:

Step 13. The HUD NSC staff will add the optional step **“HUD Approval / Attorney Assignment”** or **“Request Denied by HUD”** when the decision has been made.

Step 14. To add and complete the step, click **New**. Select the optional step from the **Step Description** dropdown and click **Submit** on the new screen. The step will be added to the list of steps.

Step 15. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

#### 7.4.2.5.3 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 16.If HUD approves the request, the HUD NSC Contractor must complete the step “**Transfer to Foreclosure Department**”. Upon completion of this step, the **Foreclosure** timeline is automatically initiated by the system.

Step 17.To generate the Notice of Intent (NOI) Letter & Occupied Conveyance Letter, click the **magnifying glass** beside send NOI and Occupied Conveyance step to preview the letter, the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The NOI Letter & Occupied Conveyance Letter is displayed.

Step 18.The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **NOI Letter & Occupied Conveyance Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 19.To add an optional step associated with HUD NSC Contractor click **New**.

**Figure 7-212: New Step – Assigned Pre-Foreclosure**

Step 20.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 21.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 22.Repeat the above instructions to add and complete other optional steps.

#### 7.4.2.6 Write-Off Review

When a write-off of the loan balance is recommended to HUD, a HUD NSC Contractor initiates the Write-Off Review timeline in order to complete the review process and seek HUD’s approval for the write-off.

Multiple active Write-Off Review timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Write-Off Review** timeline:

Step 1. From the **Assigned** menu option, select Disposition, and click **Setup**.

Step 2. On the **Assigned Disposition Setup Search** Screen, enter the loan search criteria and click **Search**.

Welcome: [User] Edit Profile Help  
Today is: Friday, January 13, 2012

> Assigned > Disposition Setup

Home Loan Assigned Endorsed Reports Logout

Assigned Disposition Setup Search

Loan Skey:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Assigned Case Sub-Status: Loan Active Index Type: --ALL--  
Property County: --ALL--

Search Results

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property Stat
10000	100000000	100000000	Assigned	Loan Active	10000	100000000	CA
10001	100000001	100000001	Assigned	Loan Active	10001	100000001	CA
10002	100000002	100000002	Assigned	Loan Active	10002	100000002	CA
10003	100000003	100000003	Assigned	Loan Active	10003	100000003	CA
10004	100000004	100000004	Assigned	Loan Active	10004	100000004	CA
10005	100000005	100000005	Assigned	Loan Active	10005	100000005	CA
10006	100000006	100000006	Assigned	Loan Active	10006	100000006	CA
10007	100000007	100000007	Assigned	Loan Active	10007	100000007	CA
10008	100000008	100000008	Assigned	Loan Active	10008	100000008	CA
10009	100000009	100000009	Assigned	Loan Active	10009	100000009	CA
10010	100000010	100000010	Assigned	Loan Active	10010	100000010	CA

Figure 7-213: Disposition Setup Search – Assigned Write-Off Review

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select **Write-Off Review** from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Edit Servicing Management

Servicing Management Information

Servicing Type: \* Write-Off Review

Timeline Status: Active

Initiation Date: \* 1/3/2012

Responsible Party: [User]

Step Information

#	Step Description	# Days	Sched Date
1	Loan Reviewed for Write-Off Recommendation	0	01/03/2012
2	Inspection Requested	0	01/03/2012
3	Inspection Results Received	7	01/10/2012
4	Write-Off Recommendation to HUD	10	01/13/2012
5	Approval of Write-Off by HUD	20	01/23/2012
6	Write-Off sent to Cash Management for Completion	5	01/08/2012

Go to Servicing Steps after Submit

Figure 7-214: Edit Servicing Management – Assigned Write-Off Review

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click **Cancel**, the Assigned Disposition Setup Search screen will be displayed).

Step 7. The **Disposition Steps** screen for Write-Off Review timeline is displayed.

Welcome: [User Name] [Edit Profile](#) [Help](#)  
Today is: Friday, January 13, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Reports | Logout

Loan Balance | **Disposition Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Loan Active  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: [Redacted]  
INDIO CA 92201  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$256,878.99  
Max Claim: \$230,000.00  
% of Max Claim: 111.687 %  
NPL: (\$125.25)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Write-Off Review**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Loan Reviewed for Write-Off Recommendation	01/03/2012	01/13/2012	HUD Contractor		Active
2	Inspection Requested	01/03/2012		HUD Contractor		Active
3	Write-Off sent to Cash Management for Completion	01/08/2012		HUD Contractor		Active
4	Inspection Results Received	01/10/2012		HUD Contractor		Active
5	Write-Off Recommendation to HUD	01/13/2012		HUD Contractor		Active
6	Approval of Write-Off by HUD	01/23/2012		HUD		Active

Figure 7-215: Timeline Steps – Assigned Loss Mitigation Write-Off Review

Step 8. The step **Loan Reviewed for Write-Off Recommendation** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Inspection Requested**.

**Edit Step**

**Step Item**

Step Description: Inspection Requested

Scheduled Date: 1/3/2012 \* Complete Date: 1/3/2012

Status: Active

Step Note: Step Completed.

**Audit Information**

Create Date: 1/13/2012 2:47:00 PM Created By: [Redacted]

Change Date: [Redacted] Changed By: [Redacted]

**SUBMIT** **CANCEL**

Figure 7-216: Edit Step – Assigned Write-Off Review

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step **Inspection Requested** on the **Disposition Steps** screen.

Step 12. Repeat the steps above to complete the other remaining steps.

Step 13. To add an optional step on the timeline, click **New**.

**Figure 7-217: New Step – Assigned Write-Off Review**

Step 14. Select the optional step from the **Step Description** dropdown and click **Submit** on the new screen. The step will be added to the list of steps.

Step 15. To complete the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 16. Repeat the above instructions to add and complete other optional steps.

Step 17. Once a HUD NSC Contractor completes the step Write-Off Recommendation to HUD. The next step can be completed only by the HUD NSC Staff.

#### 7.4.2.6.1 HUD NSC Staff Activities

HUD NSC Staff must perform the following steps:

Step 18. When the HUD NSC Staff is ready to approve, the HUD NSC Staff will select the step **Approval of Write-Off** by HUD, **populate** the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**. This will complete the step.

### 7.4.3 Request Timelines

#### 7.4.3.1 Certificate of Indebtedness

A HUD NSC Contractor initiates the Certificate of Indebtedness (COI) timeline when a request is received to show the loan balance. This timeline is initiated and completed by a HUD NSC Contractor; it does not require HUD NSC staff interaction.

Multiple active Certificate of Indebtedness timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Certificate of Indebtedness** timeline:

Step 1. From the Assigned menu, select **Request**, and click **Setup**.

Step 2. On the Assigned Request Setup Search Screen, enter the loan search criteria and click **Search**.



Step 7. The Request Steps screen for Certificate of Indebtedness timeline is displayed.

Welcome: [User Name] [Edit Profile](#) [Help](#)  
 Today is: Thursday, January 12, 2012

**STORM**  
 Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Logout

Loan Balance | **Request Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts | Loan Transactions

**Loan Information**  
 FHA Case #: [Redacted]  
 Loan Key: [Redacted]  
 Case Status: Assigned  
 Case Sub-Status: Loan Active  
 Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
 Borrower: [Redacted]  
 SSN: [Redacted]  
 DOB: [Redacted]  
 Address: PALM SPRINGS, CA 92262  
 Co-Borrower: [Redacted]

**Servicer Information**  
 Lender Loan #: [Redacted]  
 Servicer #: [Redacted]  
 Lender Name: [Redacted]  
 Servicer Name: [Redacted]  
 Investor Name: [Redacted]

**Balance Information**  
 Pay Plan Type: Line of Credit  
 Loan Balance: \$143,023.76  
 Max Claim: \$135,000.00  
 % of Max Claim: 105.944 %  
 NPL: (\$403.16)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Certificate of Indebtedness (COI)**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Created
1	COI Request Received	01/12/2012	01/12/2012	HUD Contractor		Active	01/12/2012
2	COI Sent to Requestor	01/19/2012		HUD Contractor		Active	01/12/2012
3	Copy of Mortgage and Note Sent	01/19/2012		HUD Contractor		Active	01/12/2012

**Figure 7-220: Timeline Steps – Assigned Certificate of Indebtedness**

Step 8. The step **COI Request Received** complete date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete.

Step 10. To complete a step, select the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

**Edit Step**

**Step Item**

Step Description: COI Sent to Requestor

Scheduled Date: 1/19/2012 \* Complete Date: 1/12/2012

Status: Active

Step Note: Step Completed.

**Audit Information**

Create Date: 1/12/2012 5:42:33 PM Created By: [Redacted]  
 Change Date: [Redacted] Changed By: [Redacted]

**SUBMIT** **CANCEL**

**Figure 7-221: Edit Step for Certificate of Indebtedness**

### 7.4.3.2 Payoff Request

A HUD NSC Contractor initiates this timeline to track the payoff request from a mortgagor to payoff the outstanding loan balance. A loan is terminated when the outstanding loan balance is paid off in full. This timeline is initiated and completed by a HUD NSC Contractor; it does not require HUD NSC staff interactions.



**Servicing Management Information**

Servicing Type: \* Payoff Request

Timeline Status: Active

Initiation Date: \* 1/12/2012

Responsible Party: [Redacted]

Request Received From: [Redacted]

Requesting Company Name: [Redacted]

Company Fax #: [Redacted]

Payoff Request Date: \* 1/12/2012

Payoff Amount Due: \$159,626.58

Payoff Amount Received: \$159,626.58

Remitter Name: [Redacted]

Remittance Type: Cashiers Check

Check #: 1234

Check Date: 1/12/2012

---

**Step Information**

#	Step Description	# Days	Sched Date
1	Payoff Request Received	0	01/12/2012
2	(ltr) Issue Payoff Letter	1	01/13/2012
3	Payoff Amount Received	31	02/12/2012
4	Forward Payoff Amount to Lock-Box	32	02/13/2012

Go to Servicing Steps after Submit SUBMIT CANCEL

**Figure 7-223: Edit Servicing Management – Assigned Payoff Request**

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Request Setup Search Screen will be displayed).

Step 7. The **Requests Steps** screen for Payoff Requests timeline is displayed.

Welcome: [Redacted] [Edit Profile](#) [Help](#)  
 Today is: Thursday, January 12, 2012

**STORM**  
 Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Reports | Logout

Loan Balance | **Request Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts | Loan Transactions

**Loan Information**  
 FHA Case #: [Redacted]  
 Loan Key: [Redacted]  
 Case Status: Assigned  
 Case Sub-Status: Loan Active  
 Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
 Borrower: [Redacted]  
 SSN: [Redacted]  
 DOB: [Redacted]  
 Address: [Redacted]  
 SUN CITY  
 AZ 85351  
 Co-Borrower: [Redacted]

**Servicer Information**  
 Lender Loan #: [Redacted]  
 Servicer #: [Redacted]  
 Lender Name: [Redacted]  
 Servicer Name: [Redacted]  
 Investor Name: [Redacted]

**Balance Information**  
 Pay Plan Type: Modified Term  
 Loan Balance: \$159,485.42  
 Max Claim: \$135,000.00  
 % of Max Claim: 118.137 %  
 NPL: (\$679.00)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Payoff Request**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cre
1	Payoff Request Received	01/12/2012	01/12/2012	HUD Contractor		Active	01/12
2	Issue Payoff Letter	01/13/2012		HUD Contractor		Active	01/12
3	Payoff Amount Received	02/12/2012		HUD Contractor		Active	01/12
4	Forward Payoff Amount to Lock-Box	02/13/2012		HUD Contractor		Active	01/12

**Figure 7-224: Timeline Steps – Assigned Payoff Request**

Step 8. The step **Payoff Request Received** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Payoff Statement**, click the **magnifying glass** beside step Issue Payoff Letter step to update and print the statement. A new screen is displayed with the Payoff Statement with options to Preview and Print Document.

- Step 10. Update the **Payoff Statement** and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the Print Document link. Select Open on the **File Download** pop-up screen. This action will auto-save the updated Payoff Statement to the **Documents** tab. Refresh the screen to auto-complete the step.
- Step 11. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Payoff Amount Received**.

The screenshot shows a web-based form titled "Edit Step". The form is divided into two main sections: "Step Item" and "Audit Information".

**Step Item Section:**

- Step Description:** Payoff Amount Received
- Scheduled Date:** 2/12/2012 (with a dropdown arrow and an asterisk)
- Complete Date:** 1/12/2012 (with a dropdown arrow)
- Status:** Active (with a dropdown arrow)
- Step Note:** A text area containing the text "Step Completed."

**Audit Information Section:**

- Create Date:** 1/12/2012 5:49:32 PM
- Created By:** [Redacted]
- Change Date:**
- Changed By:**

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

Figure 7-225: Edit Step – Assigned Payoff Request

- Step 12. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 13. The completion date is populated beside the step **Payoff Amount Received** on the **Requests Step** screen.
- Step 14. Repeat the above instructions to complete the other remaining steps.

### 7.4.3.3 Zero Balance

When a payoff statement is requested on HUD's second mortgage, the HUD NSC contractor initiates this timeline to show that there are no funds advanced under the second note. This timeline is initiated and completed by a HUD NSC contractor. There is no interaction with the servicer.

Multiple active Zero Balance timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate a **Zero Balance** timeline:

- Step 1. From the **Assigned** menu, select **Request**, and click **Setup**.
- Step 2. On the **Assigned Request Setup Search** Screen, enter the loan search criteria and click **Search**.



The screenshot displays the STORM web application interface. At the top, it shows a welcome message and the date: Thursday, January 12, 2012. The main navigation bar includes Home, Loan, Assigned, Endorsed, Reports, and Logout. The left sidebar contains various menu items like Loan Balance, Request Steps, Servicing Mgmt, Notes, Documents, Contacts, Alerts, and Loan Transactions. The main content area is divided into several sections: Loan Information (FHA Case #, Loan Key, Case Status: Assigned, Case Sub-Status: Loan Active, Product Type: HECM STANDARD), Borrower Information (Borrower, SSN, DOB, Address: SUN CITY AZ 85351, Co-Borrower), Servicer Information (Lender Loan #, Servicer #, Lender Name, Servicer Name, Investor Name), and Balance Information (Pay Plan Type: Modified Term, Loan Balance: \$159,485.42, Max Claim: \$135,000.00, % of Max Claim: 118.137 %, NPL: (\$679.00)). Below these sections, there is a 'Step Information: Zero Balance' section with a table of steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cre:
1	Zero Balance Letter Request Received	01/12/2012	01/12/2012	HUD Contractor		Active	01/1:
2	Zero Balance Letter Sent to Requestor	01/19/2012		HUD Contractor		Active	01/1:

**Figure 7-228: Timeline Steps – Assigned Zero Balance**

- Step 8. The step **Zero Balance Letter Request Received** completion date is pre-populated with the timeline created date.
- Step 9. To generate the **Zero Balance Letter** sheet, click on the **magnifying glass** beside Zero Balance Letter Sent to Requestor step to update and print the Zero Balance Letter. A new screen is displayed with the Zero Balance Letter with options to Preview Document and Print Document.
- Step 10. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open button on the **File Download** pop-up window. This action will save the updated Zero Balance Letter to the Documents tab. Refresh the screen to auto-complete the step.

#### 7.4.4 Assigned Foreclosure Timeline

This timeline is automatically initiated by the system if the step 'Transfer to Foreclosure Department' is completed on the Loss Mitigation – Pre-Foreclosure timeline. This timeline can also be manually initiated by a HUD NSC Contractor when the Notice of Intent (NOI) expires to track the foreclosure process. This timeline requires HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Foreclosure-Assigned. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Foreclosure timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once inactivated all the steps within the timeline are greyed out and cannot be edited.

To initiate and complete the **Foreclosure** timeline:

- Step 1. From the **Assigned** menu, select **Foreclosure**, under Foreclosure, and click **Search**.
- Step 2. On the **Assigned Foreclosure Search** Screen, enter the search criteria and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Loan Key	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Foreclosure Bidding Instructions Sent
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Send 698 Form to Requestor
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Loan Referred to Commissioner
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Loan Referred to Commissioner
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Loan Referred to Commissioner
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Loan Referred to Commissioner
411000	411000000	411000000	Assigned	Foreclosure - Assigned	Foreclosure	Active	Loan Referred to Commissioner

Figure 7-229: Search – Assigned Foreclosure

Step 3. Select the loan to view/edit the timeline.

Step 4. The **Foreclosure Steps** screen for Foreclosure timeline is displayed.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Loan Referred to Commissioner	01/08/2012		HUD Contractor		Active
2	Attorney Invoice Received	01/08/2012		HUD Contractor		Active
3	Invoice Sent to Cash Management for Payment	01/08/2012		HUD Contractor		Active
4	Received Acknowledgement of referral	01/13/2012		HUD Contractor		Active
5	Received copy of unrecorded fcl deed	01/13/2012		HUD Contractor		Active
6	Title Search Received	01/28/2012		HUD Contractor		Active
7	Foreclosure Sale Held	02/02/2012		HUD Contractor		Active
8	Received copy of recorded fcl deed	02/02/2012		HUD Contractor		Active
9	Notice of Sale mailed to borrowers / lienholders	02/17/2012		HUD Contractor		Active
10	Publication of Sale	02/22/2012		HUD Contractor		Active
11	Foreclosure Bidding Instructions Sent	02/22/2012		HUD Contractor		Active

Figure 7-230: Timeline Steps – Assigned Foreclosure

- Step 5. To generate the Department of Justice (DOJ)/ Non Judicial Foreclosure (NJF) Referral Letter, click the **magnifying glass** beside **Loan Referred to Commissioner** step to preview the letter, the **Modify Letter Fields** screen is displayed.
- Step 6. Edit the subject and salutation and select **OK**. The DOJ/NJF Referral Letter is displayed. The **printer icon** beside the step allows the HUD contractor to auto-save the document to the **Documents** tab.
- Step 7. Select the printer icon, the **Modify Letter Fields** screen is displayed. Edit the subject and salutation and select **OK**. The DOJ/NJF Referral Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.
- Step 8. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Attorney Invoice Received**.
- Step 9. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 10. The completion date is populated beside the step **Attorney Invoice Received** on the **Foreclosure Steps** screen.
- Step 11. To generate the **Foreclosure Bidding Instructions Letter**, click the **magnifying glass** beside Foreclosure Bidding Instructions Sent step to preview the letter, the Modify Letter Fields window is displayed. Edit the subject and select **OK**. The Foreclosure Bidding Instructions Letter is displayed.
- Step 12. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the Subject and select **OK**. The **Foreclosure Bidding Instructions Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.
- Step 13. To add an optional step, click **New**.

**Figure 7-231: New Step – Assigned Foreclosure**

- Step 14. Select an optional step from the **Step Description** drop down that needs to be added on the timeline and click **Submit** on New window. The step will be added to the list of steps.
- Step 15. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 16. Repeat the above instructions to add and complete other optional steps.

Step 17. The following steps are automatically added by the system when the optional step **Title Issues** is added:

- Title Issues Resolved

Step 18. The following steps are automatically added by the system in the timeline, when the optional step Order Occupancy Inspection is added and completed:

- Inspection Results Received
- Request Custodial Care
- HUD Placed in Custodial Care (Note: This step can only be completed by HUD. To complete the step, select the step in the timeline, populate the complete date optionally add note and click **Submit** on **Edit step** window).

Step 19. The following steps are automatically added by the system in the timeline, when the optional step Property sold 3rd Party is added and completed:

- Received 10% down payment
- Balance of 3rd party funds received

Step 20. The following steps are automatically added by the system in the timeline, when the optional step Vacate Letter Sent to Occupant is added and completed:

- Follow Up on Vacate Letter
- Refer to Attorney for Eviction
- Eviction Hearing Date Set
- Eviction Date Set / Schedule Lockout
- Eviction Complete / Verification received

Step 21. The following steps are automatically added by the system, when the optional step Conveyance File sent to Cash Management is added and completed:

- Loan Conveyed - Balances Removed
- Conveyance Entered into P260 (Note: This step can only be completed by HUD. To complete the step, select the step in the timeline, populate the complete date optionally add note and click **Submit** on **Edit Step window**).

Step 22. The following steps are automatically added by the system, when the optional step **Received original unrecorded Deed from DOJ** is added and completed:

- Foreclosure deed sent for recording
- Received copy of recorded deed from county

Step 23. To generate the Notice to Voluntarily Vacate Letter, click the magnifying glass beside the **Vacate Letter Sent to Occupant** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and select **OK**. The Notice to Voluntarily Vacate Letter is displayed.

Step 24. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and select **OK**. **The Notice to Voluntarily Vacate Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 25. To generate the Eviction Referral Letter, click on the magnifying glass beside **Refer to Attorney for Eviction** step to preview the letter. The Eviction Referral Letter is displayed.

Step 26. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the **Eviction Referral**

**Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 27. To generate the Conveyance of Loan Form sheet, click the magnifying glass beside **Conveyance File sent to Cash Management** step to update and print the Conveyance of Loan Form sheet. A new window is displayed with the **Conveyance of Loan Form** sheet with options to Preview Document and Print Document.

Step 28. Update the sheet, and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open on the **File Download** pop-up window. This action will save the updated Conveyance of **Loan Form** sheet to the Documents tab. Refresh the screen to auto-complete the step.

To manually initiate the timeline:

Step 1. From the **Assigned** menu, select **Foreclosure** and click **Setup**.

Step 2. On the **Assigned Foreclosure Setup Search** Screen, enter the loan search criteria and click **Search**.

The screenshot displays the STORM Servicing Technology on Reverse Mortgages interface. The top navigation bar includes links for Home, Loan, Assigned, Endorsed, Reports, and Logout. The main content area is divided into several sections: Loan Information, Borrower Information, Servicer Information, and Balance Information. Below these is a 'Step Information: Foreclosure' section with a 'NEW' button and a table of 11 steps.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Loan Referred to Commissioner	01/08/2012		HUD Contractor		Active
2	Attorney Invoice Received	01/08/2012		HUD Contractor		Active
3	Invoice Sent to Cash Management for Payment	01/08/2012		HUD Contractor		Active
4	Received Acknowledgement of referral	01/13/2012		HUD Contractor		Active
5	Received copy of unrecorded fcl deed	01/13/2012		HUD Contractor		Active
6	Title Search Received	01/28/2012		HUD Contractor		Active
7	Foreclosure Sale Held	02/02/2012		HUD Contractor		Active
8	Received copy of recorded fcl deed	02/02/2012		HUD Contractor		Active
9	Notice of Sale mailed to borrowers / lienholders	02/17/2012		HUD Contractor		Active
10	Publication of Sale	02/22/2012		HUD Contractor		Active
11	Foreclosure Bidding Instructions Sent	02/22/2012		HUD Contractor		Active

Figure 7-232: Timeline Steps – Assigned Foreclosure

Step 3. From the search results, select a **loan** to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, the **Foreclosure** selection is prepopulated in the Servicing Type dropdown and grayed out. Populate the required fields (marked with an asterisk).

**Servicing Management Information**

Servicing Type: Foreclosure  
Timeline Status: Active  
Initiation Date: 1/3/2012  
Responsible Party: [Redacted]  
Attorney: [Redacted]  
Case #: [Redacted]  
Petitioner: (DOJ) - Department of Justice Commissioner

**Step Information**

#	Step Description	# Days	Sched Date
1	(ltr) Loan Referred to Commissioner	5	01/08/2012
2	Received Acknowledgement of referral	10	01/13/2012
3	Title Search Received	25	01/28/2012
4	Notice of Sale mailed to borrowers / lienholders	45	02/17/2012
5	Publication of Sale	50	02/22/2012
6	(ltr) Foreclosure Bidding Instructions Sent	50	02/22/2012
7	Foreclosure Sale Held	30	02/02/2012
8	Received copy of unrecorded fcl deed	10	01/13/2012
9	Received copy of recorded fcl deed	30	02/02/2012
10	Attorney Invoice Received	5	01/08/2012
11	Invoice Sent to Cash Management for Payment	5	01/08/2012

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

**Figure 7-233: Edit Servicing Management – Assigned Foreclosure**

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Screen).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Foreclosure Setup Search Screen will be displayed).

Step 7. The **Foreclosure Steps** screen for Foreclosure timeline is displayed.

Welcome: [Redacted] [Edit Profile](#) [Help](#)  
Today is: Thursday, January 12, 2012

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Home Loan Assigned Endorsed Reports Logout

Loan Balance  
**Foreclosure Steps**  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Foreclosure - Assigned  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: NORTH LITTLE ROCK AR 72120  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$88,470.58  
Max Claim: \$82,000.00  
% of Max Claim: 107.891 %  
NPL: (\$330.89)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Foreclosure**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Loan Referred to Commissioner	01/08/2012		HUD Contractor		Active
2	Attorney Invoice Received	01/08/2012		HUD Contractor		Active
3	Invoice Sent to Cash Management for Payment	01/08/2012		HUD Contractor		Active
4	Received Acknowledgement of referral	01/13/2012		HUD Contractor		Active
5	Received copy of unrecorded fcl deed	01/13/2012		HUD Contractor		Active
6	Title Search Received	01/28/2012		HUD Contractor		Active
7	Foreclosure Sale Held	02/02/2012		HUD Contractor		Active
8	Received copy of recorded fcl deed	02/02/2012		HUD Contractor		Active
9	Notice of Sale mailed to borrowers / lienholders	02/17/2012		HUD Contractor		Active
10	Publication of Sale	02/22/2012		HUD Contractor		Active
11	Foreclosure Bidding Instructions Sent	02/22/2012		HUD Contractor		Active

**Figure 7-234: Timeline Steps - Assigned-Foreclosure**

## 7.4.5 Bankruptcy Timelines

### 7.4.5.1 Bankruptcy - Chapter 13

This timeline is automatically initiated after the processing of the Banko file to track a Chapter 13 bankruptcy event. When a Chapter 13 bankruptcy is filed, the court appoints a trustee and establishes a payment plan under a reorganization agreement.

Additionally, this timeline can be manually initiated by a HUD NSC Contractor to track the Chapter 13 bankruptcy event. This timeline does not require HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Bankruptcy/Chapter 13. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Bankruptcy-Chapter 13 timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Bankruptcy - Chapter 13** timeline:

Step 1. From the **Assigned** menu select **Bankruptcy** and click **Search**.

Step 2. On the **Assigned Bankruptcy Search** Screen, enter the search criteria including Servicing Type of Bankruptcy - Chapter 13 and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Welcome: [User] Today is: Thursday, January 12, 2012

> Assigned > Bankruptcy Search

Home Loan Assigned Endorsed Batch Logout

**Assigned Bankruptcy Search**

**Loan Information:**

Loan Skey: [ ] Borrower LName: [ ] Lender Name: [ ]  
 Lender Loan #: [ ] Property Address: [ ] Servicer Name: [ ]  
 FHA Case #: [ ] Property State: --ALL-- Investor Name: [ ]  
 Case Status: Assigned Case Sub-Status: Bankruptcy/Chapter 13 Responsible: --ALL--

**Servicing Management Criteria:**

Servicing Type: Bankruptcy - Chapter 13 Servicing Status: --ALL-- Step: --ALL--  
 Timeline Status: All Active Current Step Group: --ALL-- Step Status: --ALL--  
 Case #: [ ] Scheduled Date: [ ] Completion Date: [ ]  
 Step Group: --ALL--

**Search Results**

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Proof of Claim Printed
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received
[ ]	[ ]	[ ]	Assigned	Bankruptcy/Chapter 13	Bankruptcy - Chapter 13	Active	Bankruptcy Notification Received

**Figure 7-235: Search - Assigned Bankruptcy**

Step 3. Select the loan to view or edit the timeline.

Step 4. The **Bankruptcy Steps** screen for Bankruptcy - Chapter 13 timeline is displayed.

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Today is: Thursday, January 12, 2012

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Home Loan Assigned Endorsed Batch Logout

Loan Balance  
Bankruptcy Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Bankruptcy/Chapter 13  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: DELRAY BEACH FL 33484  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$286,930.33  
Max Claim: \$284,000.00  
% of Max Claim: 101.032 %  
NPL: (\$134.55)  
[Print Loan Detail](#)

[Go to Servicing Setup](#)

**Step Information: Bankruptcy - Chapter 13**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Bankruptcy Filed	01/03/2012	01/12/2012	HUD Contractor		Active	01
2	Bankruptcy Notification Received	01/03/2012		HUD Contractor		Active	01
3	Proof of Claim Prepared	01/07/2012		HUD Contractor		Active	01
4	Proof of Claim Filed	01/08/2012		HUD Contractor		Active	01
5	Review of Plan/Statement of Intention	02/02/2012		HUD Contractor		Active	01
6	Proof of Claim Recorded	02/02/2012		HUD Contractor		Active	01
7	Confirmation of Plan/Statement of Intention	04/02/2012		HUD Contractor		Active	01

**Figure 7-236: Timeline Steps – Assigned Bankruptcy Chapter 13**

- Step 5. The step **Bankruptcy Filed** completion date is pre-populated with the Bankruptcy filed date received in the BANKO file for the FHA case #. When the timeline is manually initiated, this step will be pre-populated with the date the timeline was created.
- Step 6. The step **Bankruptcy Notification Received** completion date is **pre-populated** with the date the file was processed and timeline initiated. When timeline is manually initiated, this step must be manually completed.
- Step 7. To generate the **Proof of Claim Form**, click the **magnifying glass** beside the **Proof of Claim Prepared** step to update and print the Proof of Claim Form. A new screen is displayed with the **Proof of Claim Form** with options to Preview and Print Document.
- Step 8. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link.
- Step 9. Select **Open** on the File Download screen. This action will save the updated Proof of Claim Form to the Documents tab. Refresh the screen to auto-complete the step.
- Note: If the **Proof of Claim form** does not display, go to the Servicing Management Screen and populate the Bankruptcy District name. This will allow the Proof of Claim form to be viewed.
- Step 10. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step **Proof of Claim Filed**.
- Step 11. Populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.
- Step 12. The completion date is populated beside the step **Proof of Claim Filed** on the **Bankruptcy Steps** screen.
- Step 13. To add an optional step, click **New**.



Step 4. On the **Edit Servicing Management** screen, select Bankruptcy – Chapter 13 from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Edit Servicing Management**

**Servicing Management Information**

Servicing Type: \* Bankruptcy - Chapter 13

Timeline Status: Active

Initiation Date: \* 1/3/2012

Responsible Party: [Redacted]

State Filed: Florida

Bankruptcy District: Southern District of

Bankruptcy Contested Action: HUD will be paid by Trustee

Case #: [Redacted]

**Step Information**

#	Step Description	# Days	Sched Date
1	Bankruptcy Filed	0	01/03/2012
2	Bankruptcy Notification Received	0	01/03/2012
3	(ltr) Proof of Claim Prepared	4	01/07/2012
4	Proof of Claim Filed	5	01/08/2012
5	Review of Plan/Statement of Intention	30	02/02/2012
6	Proof of Claim Recorded	30	02/02/2012
7	Confirmation of Plan/Statement of Intention	90	04/02/2012

Go to Servicing Steps after Submit

**SUBMIT** **CANCEL**

**Figure 7-239: Edit Servicing Management – Assigned Bankruptcy Chapter 13**

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).

Step 6. Click **Submit** (If you click **Cancel**, the **Assigned Bankruptcy Setup Search** Screen will be displayed).

Step 7. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 13 timeline is displayed.

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Home Loan Assigned Endorsed Batch Logout

Loan Balance  
Bankruptcy Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Bankruptcy/Chapter 13  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: DELRAY BEACH FL 33484  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$286,930.33  
Max Claim: \$284,000.00  
% of Max Claim: 101.032 %  
NPL: (\$134.55)  
[Print Loan Detail](#)

[Go to Servicing Setup](#)

**Step Information: Bankruptcy - Chapter 13**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Bankruptcy Filed	01/03/2012	01/12/2012	HUD Contractor		Active	01
2	Bankruptcy Notification Received	01/03/2012		HUD Contractor		Active	01
3	Proof of Claim Prepared	01/07/2012		HUD Contractor		Active	01
4	Proof of Claim Filed	01/08/2012		HUD Contractor		Active	01
5	Review of Plan/Statement of Intention	02/02/2012		HUD Contractor		Active	01
6	Proof of Claim Recorded	02/02/2012		HUD Contractor		Active	01
7	Confirmation of Plan/Statement of Intention	04/02/2012		HUD Contractor		Active	01

**Figure 7-240: Timeline Steps – Assigned Bankruptcy Chapter 13**

### 7.4.5.2 Bankruptcy - Chapter 7

This timeline is automatically initiated after the processing of the BANKO file to track a Chapter 7 bankruptcy event. A Chapter 7 bankruptcy releases the mortgagor from unsecured liabilities and retains their secured debt.

Additionally, this timeline can also be manually initiated by a HUD NSC Contractor to track the Chapter 7 bankruptcy event. This timeline does not require HUD NSC Staff interaction. When this timeline is initiated, the case sub-status is updated to Bankruptcy/Chapter 7. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Bankruptcy – Chapter 7 timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete a **Bankruptcy – Chapter 7** timeline:

Step 1. From the **Assigned** menu, select **Bankruptcy**, and click **Search**.

Step 2. On the **Assigned Bankruptcy Search** Screen, enter the search criteria, select Servicing Type as Bankruptcy – Chapter 7 and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Search Results

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Bankruptcy Notification Received
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Bankruptcy Notification Received
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Bankruptcy Notification Received
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Proof of Claim Filed
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Proof of Claim Filed
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Proof of Claim Filed
10000	10110000110	10110000110	Assigned	Bankruptcy/Chapter 7	Bankruptcy - Chapter 7	Active	Proof of Claim Filed

Figure 7-241: Bankruptcy Search – Assigned Bankruptcy Chapter 7

Step 3. Select the loan to view or edit the timeline.

Step 4. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 7 timeline is displayed.

Welcome: [Home](#) [Loan](#) [Assigned](#) [Endorsed](#) [Batch](#) [Logout](#) [Edit Profile](#) [Help](#)  
 Today is: Thursday, January 12, 2012

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Home | Loan | Assigned | Endorsed | Batch | Logout

Loan Balance | **Bankruptcy Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts

**Loan Information**  
 FHA Case #: [REDACTED]  
 Loan Key: [REDACTED]  
 Case Status: Assigned  
 Case Sub-Status: Bankruptcy/Chapter 7  
 Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
 Borrower: [REDACTED]  
 SSN: [REDACTED]  
 DOB: [REDACTED]  
 Address: MIAMI FL 33155  
 Co-Borrower: [REDACTED]

**Servicer Information**  
 Lender Loan #: [REDACTED]  
 Servicer #: [REDACTED]  
 Lender Name: [REDACTED]  
 Servicer Name: [REDACTED]  
 Investor Name: [REDACTED]

**Balance Information**  
 Pay Plan Type: Line of Credit  
 Loan Balance: \$374,071.58  
 Max Claim: \$362,790.00  
 % of Max Claim: 103.110 %  
 NPL: (\$225.77)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Bankruptcy - Chapter 7**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Bankruptcy Filed	01/03/2012	01/12/2012	HUD Contractor		Active	01
2	Bankruptcy Notification Received	01/03/2012		HUD Contractor		Active	01
3	Proof of Claim Prepared	01/07/2012		HUD Contractor		Active	01
4	Proof of Claim Filed	01/08/2012		HUD Contractor		Active	01
5	Review of Plan/Statement of Intention	02/02/2012		HUD Contractor		Active	01
6	Proof of Claim Recorded	02/02/2012		HUD Contractor		Active	01
7	Confirmation of Plan/Statement of Intention	04/02/2012		HUD Contractor		Active	01

**Figure 7-242: Timeline Steps – Assigned Bankruptcy Chapter 7**

- Step 5. The step **Bankruptcy Filed** completion date is pre-populated with the Bankruptcy filed date received in the BANKO file for the FHA Case #. When timeline is manually initiated, this step will be pre-populated with the date the timeline was created.
- Step 6. The step **Bankruptcy Notification Received** completion date is pre-populated with the date the file was processed and timeline initiated. Note: When timeline is manually initiated, this step must be manually completed.
- Step 7. To generate the Proof of Claim Form, click the magnifying glass beside the **Proof of Claim Prepared** step to update and print the Proof of Claim Form. A new window is displayed with the Proof of Claim Form with options to preview or print the document.
- Step 8. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open on the File Download pop-up window. This action will save the updated Proof of Claim Form to the Documents tab. Refresh the screen to auto-complete the step.
- Note: If the Proof of Claim form does not display, go to the servicing management screen and populate the **Bankruptcy District** name. This will allow the **Proof of Claim form** to be viewed.
- Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step Proof of Claim Filed.
- Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 11. The completion date is populated beside the step Proof of Claim Filed on the **Bankruptcy Steps** screen.
- Step 12. To add an optional step, click **New**.

The 'New Step' dialog box is titled 'New Step' and has a close button (X) in the top right corner. It contains the following fields:

- Step Item:** A dropdown menu with the selected value '--ALL--'.
- Step Description:** A dropdown menu with the selected value '--ALL--'.
- Scheduled Date:** A date picker showing '1/12/2012'.
- Complete Date:** A date picker.
- Status:** A dropdown menu with the selected value 'Active'.
- Step Note:** A text area for entering notes.

At the bottom of the dialog are two buttons: 'SUBMIT' and 'CANCEL', both with a play icon.

Figure 7-243: New Step – Assigned Bankruptcy Chapter 7

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the Assigned menu, select **Bankruptcy** and click **Setup**.

Step 2. On the **Assigned Bankruptcy Setup Search** Screen, enter the loan search criteria and click **Search**.

The screenshot shows the 'Assigned Bankruptcy Setup Search' screen in the STORM web application. The page header includes 'Welcome: [user name] Edit Profile Help' and 'Today is: Thursday, January 12, 2012'. The breadcrumb trail is '> Assigned > Bankruptcy Setup'. The STORM logo is in the top right corner with the tagline 'Servicing Technology on Reverse Mortgages'.

The search criteria section includes the following fields:

- Loan Skey: [text input]
- Lender Loan #: [text input]
- FHA Case #: [text input]
- Case Status: Assigned (dropdown)
- Borrower LName: [text input]
- Property Address: [text input]
- Property State: --ALL-- (dropdown)
- Case Sub-Status: Loan Active (dropdown)
- Lender Name: [dropdown]
- Servicer Name: [dropdown]
- Investor Name: [dropdown]
- Index Type: --ALL-- (dropdown)
- Property County: --ALL-- (dropdown)

A 'SEARCH' button is located at the bottom right of the search criteria section.

The 'Search Results' section shows a table with the following columns: Loan Skey, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Borrower LName, Property Address, and Property Sta. The table contains 10 rows of data, all with 'Assigned' Case Status and 'Loan Active' Case Sub-Status.

Figure 7-244: Bankruptcy Search – Assigned Bankruptcy Chapter 7

Step 3. From the search results, click a loan to initiate the timeline.

- Step 4. On the **Edit Servicing Management** Screen, select **Bankruptcy – Chapter 7** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Edit Servicing Management**

**Servicing Management Information**

Servicing Type: \* Bankruptcy - Chapter 7

Timeline Status: Active

Initiation Date: \* 1/3/2012

Responsible Party: [Redacted]

State Filed: Florida

Bankruptcy District: Eastern District of

Bankruptcy Contested Action: Other - see notes

Case #: [Redacted]

**Step Information**

#	Step Description	# Days	Sched Date
1	Bankruptcy Filed	0	01/03/2012
2	Bankruptcy Notification Received	0	01/03/2012
3	(ltr) Proof of Claim Prepared	4	01/07/2012
4	Proof of Claim Filed	5	01/08/2012
5	Review of Plan/Statement of Intention	30	02/02/2012
6	Proof of Claim Recorded	30	02/02/2012
7	Confirmation of Plan/Statement of Intention	90	04/02/2012

Go to Servicing Steps after Submit

**SUBMIT** **CANCEL**

**Figure 7-245: Edit Servicing Management for Chapter 7 Bankruptcy**

- Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Window).
- Step 6. Click **Submit** (If you click **Cancel**, the Assigned Bankruptcy Setup Search Screen will be displayed).
- Step 7. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 7 timeline is displayed.

Welcome: [Redacted] [Edit Profile](#) [Help](#)  
Today is: Thursday, January 12, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home Loan Assigned Endorsed Batch Logout

Loan Balance  
**Bankruptcy Steps**  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Skey: [Redacted]  
Case Status: Assigned  
Case Sub-Status: Bankruptcy/Chapter 7  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: MIAMI FL 33155  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$374,071.58  
Max Claim: \$362,790.00  
% of Max Claim: 103.110 %  
NPL: (\$225.77)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Bankruptcy - Chapter 7**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	C
1	Bankruptcy Filed	01/03/2012	01/12/2012	HUD Contractor		Active	01
2	Bankruptcy Notification Received	01/03/2012		HUD Contractor		Active	01
3	Proof of Claim Prepared	01/07/2012		HUD Contractor		Active	01
4	Proof of Claim Filed	01/08/2012		HUD Contractor		Active	01
5	Review of Plan/Statement of Intention	02/02/2012		HUD Contractor		Active	01
6	Proof of Claim Recorded	02/02/2012		HUD Contractor		Active	01
7	Confirmation of Plan/Statement of Intention	04/02/2012		HUD Contractor		Active	01

**Figure 7-246: Timeline Steps – Assigned Bankruptcy Chapter 7**

## 7.4.6 Release Timelines

### 7.4.6.1 Release 1<sup>st</sup> (Release of HUD's First Mortgage)

This timeline is automatically initiated by the system when the loan status is updated to Terminated. The status is updated to Terminated when the terminate transaction is added on the loan. Refer to the Transactions- Loan- Termination section in General Servicing chapter of this User Guide for details. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transactions.

Multiple active Release 1<sup>st</sup> timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 1<sup>st</sup>** timeline:

- Step 1. From the **Assigned** menu, select **Release**, and click **Search**.
- Step 2. On the **Assigned Release Search** Screen, enter the search criteria, select Servicing Type as Release 1<sup>st</sup> and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Loan Key	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
100000	11111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Release Request Approved by Servicer
100000	1111111111	221111111111	Terminated	Terminate - Borr. Paid	Release 1st	Active	Order Missing Mortgage/DOT

**Figure 7-247: Release Search – Assigned Released 1<sup>st</sup>**

- Step 3. From the search results, click a loan to view or edit the timeline.
- Step 4. The **Release Steps** screen for Release 1<sup>st</sup> timeline is displayed.

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Today is: Monday, April 16, 2012

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Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Reports | Logout

Loan Balance | **Release Steps** | Notes | Documents | Contacts | Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Terminated  
Case Sub-Status: Terminate - Borr. Paid  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: HUNTSVILLE AL 35801  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$0.00  
Max Claim: \$105,000.00  
% of Max Claim: 0.000 %  
NPL: \$111,700.56  
[Print Loan Details](#)

[Go to Search Results](#)

Step Information: Release 1st

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status
1	Payoff Transaction Processed/Initiate Release	04/30/2012	04/16/2012	HUD Contractor		Active
2	Release Executed by Contractor	05/04/2012		HUD Contractor		Active
3	Release Package sent for recording	05/07/2012		HUD Contractor		Active
4	Recorded Release Received from County	10/10/2013		HUD Contractor		Active

4 Step(s)

Figure 7-248: Timeline Steps – Assigned Release 1<sup>st</sup>

- Step 5. The **Step Payoff Transaction Processed/Initiate Release** completion date is pre-populated with the timeline created date.
- Step 6. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step Release Executed by Contractor.
- Step 7. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 8. The completion date is populated beside the step **Release Executed by Contractor** on the **Release Steps** screen for Release 1<sup>st</sup>.
- Step 9. The step **Received Missing Mortgage/Deed of Trust (DOT)** is automatically added by the system. To add this step automatically by the system, the following criteria must be satisfied: The optional step **Order Missing Mortgage/DOT** must be added on the timeline.
- Step 10. To add the optional step **Order Missing Mortgage/DOT**, click **New**.

New Step

**Step Item**

Step Description: --ALL-- \*

Scheduled Date: 1/12/2012 \* Complete Date: [ ]

Status: Active

Step Note: [ ]

Figure 7-249: New Step for Release

- Step 11. Select the optional step from the **Step Description** dropdown.

Step 12. To complete the step, populate the complete date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

### 7.4.6.2 Release 2<sup>nd</sup> (Release of HUD's Second Mortgage)

This timeline is automatically initiated by the system when the loan status is updated to Terminated. The status is updated to Terminated when the terminate transaction is added on the loan. Refer to the Transactions- Loan- Termination section in General Servicing chapter of this User Guide for details on how to add the transaction on the loan. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transaction.

The HUD NSC Contractor will follow up and complete the steps within the timeline after system initiation. There is no interaction with the HUD NSC Staff. Multiple active Release 2<sup>nd</sup> timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 2<sup>nd</sup>** timeline:

Step 1. From the **Assigned** menu, select **Release**, and click **Search**.

Step 2. On the **Assigned Release Search** Screen, enter the search criteria, select Servicing Type as Release 2<sup>nd</sup> and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Welcome: [Edit Profile](#) [Help](#)  
Today is: Thursday, January 12, 2012

> Assigned > Release Search

Home Loan Assigned Endorsed Logout

**Assigned Release Search**

**Loan Information:**

Loan Skey:  Borrower LName:  Lender Name:

Lender Loan #:  Property Address:  Servicer Name:

FHA Case #:  Property State: --ALL-- Investor Name:

Case Status: Terminated Case Sub-Status: Terminate - Borr. Paid Responsible: --ALL--

Property County: --ALL--

**Servicing Management Criteria:**

Servicing Type: Release 2nd Servicing Status: --ALL-- Step: --ALL--

Timeline Status: All Active Current Step Group: --ALL-- Step Status: --ALL--

Scheduled Date:  <=

Completion Date:  <=

Step Group: --ALL--

**SEARCH**

**Search Results**

[Export to Excel](#)

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Servicing Type	Timeline Status	Servicing Status
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	Release Request Approved by Servicer
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	Recorded Release Received from County
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	Release Request Approved by Servicer
11111	111111111	111111111	Terminated	Terminate - Borr. Paid	Release 2nd	Active	Recorded Release Received from County

Figure 7-250: Release Search – Assigned Release 2<sup>nd</sup>

Step 3. From the search results, select a loan to view or edit the timeline.

Step 4. The **Release Steps** screen for Release 2<sup>nd</sup> timeline is displayed.

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Today is: Thursday, January 12, 2012

**STORM**  
Servicing Technology on Reverse Mortgages

Home | Loan | Assigned | Endorsed | Logout

Loan Balance | **Release Steps** | Servicing Mgmt | Notes | Documents | Contacts | Alerts

**Loan Information**  
FHA Case #: [Redacted]  
Loan Key: [Redacted]  
Case Status: Terminated  
Case Sub-Status: Terminate - Borr.  
Paid  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower: [Redacted]  
SSN: [Redacted]  
DOB: [Redacted]  
Address: HARVEST AL 35749  
Co-Borrower: [Redacted]

**Servicer Information**  
Lender Loan #: [Redacted]  
Servicer #: [Redacted]  
Lender Name: [Redacted]  
Servicer Name: [Redacted]  
Investor Name: [Redacted]

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$0.00  
Max Claim: \$101,000.00  
% of Max Claim: 0.00 %  
NPL: \$100,221.65  
[Print Loan Details](#)

[Go to Search Results](#)

Step Information: Release 2nd

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cre
1	Payoff Transaction Processed/Initiate Release	11/30/2011	11/30/2011	Servicer		Active	11/30/2011
2	Release Request Approved by Servicer	12/01/2011		Servicer		Active	11/30/2011
3	Release Executed by Contractor	12/04/2011		HUD Contractor		Active	11/30/2011
4	Release Package sent for recording	12/07/2011		HUD Contractor		Active	11/30/2011
5	Recorded Release Received from County	11/29/2012		HUD Contractor		Active	11/30/2011

5 Step(s)

**Figure 7-251: Assigned – Release 2<sup>nd</sup> Timeline Steps**

- Step 5. The step **Payoff Transaction Processed/Initiate Release** completion date is pre-populated with timeline created date.
- Step 6. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step **Release Executed by Contractor**.
- Step 7. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.
- Step 8. The completion date is populated beside the step **Release Executed by Contractor** on the **Release Steps** screen for Release 2<sup>nd</sup>.
- Step 9. The step **Received Missing Mortgage/DOT** is automatically added by the system. The following criteria must be satisfied: The optional step **Order Missing Mortgage/DOT** must be added on the timeline (this is an optional step).
- Step 10. To add the optional step **Order Missing Mortgage/DOT**, click **New**.

**New Step**

Step Item

Step Description: --ALL-- \*

Scheduled Date: 1/12/2012 \* Complete Date: \*

Status: Active

Step Note:

**SUBMIT** **CANCEL**

**Figure 7-252: New Step – Assigned Release**

- Step 11. Select the optional step from the Step Description dropdown.

Step 12. To complete the step, populate the complete date, add a note in the **Notes** field if applicable, and click **Submit** on **Edit Step** window.

## 7.4.7 Claims Timelines

### 7.4.7.1 Assignment Repurchase

In cases of a discrepancy such as a title issue, non-payment of property charges, non-occupancy or any activity that could have prevented the loan from being assigned to HUD, a HUD NSC Contractor initiates this timeline and notifies the servicer of the title defect or mortgage default. The HUD NSC Staff approval is required. When this timeline is initiated, the case sub-status is updated to Repurchase. When this process is completed, the loan status is updated to Endorsed – Loan Active.

Multiple active Assignment Repurchase timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Assignment Repurchase** timeline:

#### 7.4.7.1.1 Initiate Timeline – HUD NSC Contractor Activities

The HUD NSC Contractor must perform the following steps to initiate the timeline:

Step 1. From the **Assigned** menu, select **Claims**, and click **Setup**.

Step 2. On the **Assigned Claims Setup Search** Screen, enter the loan search criteria and click **Search**.

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Property Address	Property St
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR
111111	111111111	111111111	Assigned	Loan Active	111111111	11111111111111111111	AR

Figure 7-253: Claims Search – Assigned Repurchase

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. From the **Edit Servicing Management** Screen, select Assignment Repurchase from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

**Servicing Management Information**

Servicing Type: \* Assignment Repurchase  
Timeline Status: Active  
Initiation Date: \* 1/12/2012  
Responsible Party:  
Reason for Request: \* Deed-in-Lieu of Foreclosure  
HUD Comments: Setup a new repurchase timeline  
FHA Claim No:  
Prior Lender / Servicer: \*  
Prior Investor: \*

**Step Information**

#	Step Description	# Days	Sched Date
1	Recommend Repurchase to HUD	0	01/12/2012
2	HUD Approves Pre-Repurchase	5	01/17/2012
3	(ltr) Pre-Repurchase Letter Issued to Servicer	10	01/22/2012
4	HUD Approves Repurchase	40	02/21/2012
5	(ltr) Repurchase Letter Issued to Investor	45	02/26/2012

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

**Figure 7-254: Edit Servicing Management – Assigned Repurchase**

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Claims Setup Search Screen will be displayed).

Step 7. The **Claims Steps** screen for Assignment Repurchase timeline is displayed.

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Today is: Thursday, January 12, 2012

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Servicing Technology on Reverse Mortgages

Home Loan Assigned Endorsed Reports Logout

Loan Balance  
Claims Steps  
Servicing Mgmt  
Notes  
Documents  
Contacts  
Alerts

**Loan Information**  
FHA Case #:  
Loan Key:  
Case Status: Assigned  
Case Sub-Status: Repurchase  
Product Type: HECM STANDARD  
[Go to Loan Search](#)

**Borrower Information**  
Borrower:  
SSN:  
DOB:  
Address: BLYTHEVILLE AR 72315  
Co-Borrower:

**Servicer Information**  
Lender Loan #:  
Servicer #:  
Lender Name:  
Servicer Name:  
Investor Name:

**Balance Information**  
Pay Plan Type: Line of Credit  
Loan Balance: \$116,607.64  
Max Claim: \$105,500.00  
% of Max Claim: 110.529 %  
NPL: (\$636.39)  
[Print Loan Details](#)

[Go to Servicing Setup](#)

**Step Information: Assignment Repurchase**

**NEW**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Cr
1	Recommend Repurchase to HUD	01/12/2012	01/12/2012	HUD Contractor		Active	01/
2	HUD Approves Pre-Repurchase	01/17/2012		HUD		Active	01/
3	Pre-Repurchase Letter Issued to Servicer	01/22/2012		HUD Contractor		Active	01/
4	HUD Approves Repurchase	02/21/2012		HUD		Active	01/
5	Repurchase Letter Issued to Investor	02/26/2012		HUD Contractor		Active	01/

**Figure 7-255: Timeline Steps – Assigned Repurchase**

Step 8. The step **Recommend Repurchase** to HUD completion date is pre-populated with the initiation date on the timeline.

#### 7.4.7.1.2 Approve Pre-Repurchase - HUD NSC Staff Activity

HUD NSC Staff must perform the following step:

Step 1. The HUD NSC Staff will select the step HUD Approves Pre-Repurchase, populate the complete date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window. This completes the pre-approval process.

#### 7.4.7.1.3 Perform Repurchase - HUD NSC Contractor Activities

HUD NSC Contractor must perform the following step:

Step 1. To generate the Pre-Repurchase Letter, click the **magnifying glass** beside **Pre-Repurchase Letter Issued to Servicer** step to preview the letter. On the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Pre-Repurchase Letter is displayed.

Step 2. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Pre-Repurchase Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 3. If an extension is granted on the pre-repurchase, a HUD NSC Contractor will add the optional step 30 Day Pre-Repurchase Extension Granted. To add the optional step, click **New**. Select the step from the **Step Description** dropdown and click **Submit** on the new window. The step will be added to the list of steps.

Step 4. To complete the step, select the step and populate the completion date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window.

#### 7.4.7.1.4 Approve Repurchase - HUD NSC Staff Activity

HUD NSC Staff must perform the following step:

Step 1. The HUD NSC Staff will select the step HUD Approves Repurchase, populate the complete date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window. This completes the approval process.

#### 7.4.7.1.5 Post Repurchase Approval - HUD NSC Contractor Activities

HUD NSC Contractor must perform the following step:

Step 1. To generate the Repurchase Letter, click the magnifying glass beside the **Repurchase Letter Issued to Investor** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The Repurchase Letter is displayed.

Step 2. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Repurchase Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 3. Refer to the **Repurchase Claim Payment Processing** section (7.4.7.2) for details on the payment processing.

Step 4. The following steps are triggered when the step **HUD Verifies Repayment of Claim** is added and completed by the system. This step is added when the confirmation of the collection is received from the Accounting Module.

- Repurchase Package Sent to Servicer

- Assignment to Servicer Sent for Recording
  - Received Recorded Assignment
- Step 5. To complete the step **Repurchase Package Sent to Servicer**, select the step, populate the complete date optionally add the note and click **Submit** on the **Edit Step** window.
- Step 6. To complete the step **Assignment to Servicer Sent for Recording**, select the step, populate the complete date optionally add the note and click **Submit** on the **Edit Step** window. A certify pop-up window is displayed confirming the transfer of the servicer. Click **Yes**. This completes the step. The **case status** is updated to **Endorsed** and the case sub-status is updated to **Loan Active**. If the payment status is suspended the sub-status is updated to **Payment Suspended**.
- Step 7. When the recording is completed and received, complete the step **Received Recorded Assignment**. To complete this step, select the step, populate the complete date optionally add the note and click **Submit** on **Edit Step** window.
- Step 8. To add the optional step **Servicer Clears Repurchase Issue** on the timeline, click **New**. Select the optional step from the **Step Description** dropdown and click **Submit** on the **New Step** screen. The step will be added to the list of steps.

Figure 7-256: New Step – Assignment Repurchase

- Step 9. To complete the step, populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

#### 7.4.7.2 Repurchase Claim Payment Processing

This section explains the repurchase collection processing in HERMIT (Servicing and Accounting Modules) system.

1. The repurchase transaction is generated when the step HUD Approves Repurchase is completed within the Repurchase timeline. These FHA cases are sent to the Accounting Module for generation of receivable via an interface file.
2. The Servicing Module assigns a batch ID and batch status for the receivable request to track the collection status. Once the file is generated and sent to the Accounting Module, the batch status (Sent to GL - Held) is updated to indicate that the transaction has been sent to the Accounting Module.
3. The Accounting Module processes the file, records the receivable in a held status and sends a response file to the Servicing Module. The receivable in the Accounting Module is not sent

---

for collection until a subsequent interface file is received from the Servicing Module that releases the receivable for collection.

4. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success – Held). The system adds a new step Claims Receivable Established on the repurchase timeline, the step is auto-completed with the date the file has been processed.
5. The Servicing Module sends the release transaction to the Accounting Module via an interface file when the repurchase transaction is authorized via the Accounting – Authorizations screen (authorized by lender/investor/servicer). The system adds a new step Servicer Authorizes Repayment of Claim on the repurchase timeline, this step is auto-completed with the authorization approval date.
6. The Servicing Module updates the batch status (Sent to GL Collect) when the release transaction for claims receivable is sent to the Accounting Module. If there is a difference in payoff amount between the date HUD approved repurchase and the date repurchase transaction is authorized for payment. The difference in the payoff amount is sent to Accounting Module as a separate transaction for collection.
7. The Accounting Module processes the file and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success – Collect).
8. The Accounting Module generates a non-interactive-batch file per Treasury Pay.gov's specification. The file is sent to Pay.gov for collection. Upon posting the collection by Pay.gov, the deposit is recorded in the Accounting Module.
9. The Accounting Module sends the receivable collection confirmation to the Servicing Module via an interface file. The Servicing Module processes this file and the batch status is updated to Settled. The system adds a new step HUD Verifies Repayment of Claim on the repurchase timeline, the step is auto-completed with the date the file has been processed. This completes the repurchase collections processing in HERMIT.