CHAPTER 7: TIMELINES

7. TIMELINES

This chapter discusses the process to initiate, submit and review the timelines in the Servicing Module:

- **Timelines Overview**
- **Endorsed Timelines (Servicers Only)**
- **Endorsed Timelines (Servicers and HUD NSC Interaction)**
- **Assigned Timelines**

7.1 Timelines Overview

Timelines are predefined steps grouped to notify HUD and track certain business events on a loan. Permissions are built into the Servicing Module allowing authorized users to initiate a timeline and complete the steps within the timeline. The timelines conforming to a business event are grouped within a timeline category. The timeline categories in the system are:

Timeline	Description
Compliance	Includes timelines to track a borrower's compliancy towards the HECM Case (For example: Annual Occupancy Certification, Hazard Insurance, etc.).
Disposition	Includes timelines to notify HUD if a borrower defaults on a loan (Loan is Due and Payable), and to track the loss mitigation options (For example: Short Sale, Deed-In-Lieu, etc.).
Requests	Includes specific requests that need HUD approval (For example: Zero Balance Letter, Certificate of Indebtedness, etc.).
Foreclosure	Includes foreclosure timelines to follow up on a foreclosure event.
Bankruptcy	Includes bankruptcy timelines to follow up on a bankruptcy event.
Release	Includes release timelines after disposition of the property (For example: Release 1st, Release 2nd).
Claims	Includes claims timelines that need HUD approval (For example: Claim Type 21 (DIL/FCL).

Table 7-1: Timeline Categories

In this chapter, the timeline categories have been separated into Endorsed and Assigned categories. Each of the timeline categories has two standard sub-menu options:

- **Search:** Allows authorized users to search timelines that have already been initiated within the timeline category.
- **Setup:** Allows authorized users to initiate a timeline within the timeline category.

7.1.1 Setup Criteria to Initiate Timelines

The setup screen for each of the timeline categories has common search criteria as listed below.

Field	Description
Loan Skey	Servicing Module system identification number unique to each loan.
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.
Property Address	Address of the loan property (Enter a partial address if the complete address is not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.
Index Type	Organization and type of interest rate based on the interest rates at which banks borrow unsecured funds from other.
Property County	County where the property is located.

Table 7-2: Search Criteria on the Setup Screen

7.1.2 Search Criteria for Timelines that have been Initiated

The search criteria vary slightly for each timeline. Search criteria can be divided into two sections:

- Loan information search criteria contain standard search criteria for a loan.
- Servicing management search criteria provides extra timeline-related criteria that will help narrow the search appropriate to timelines.

The below tables provides the list of search criteria fields on the timeline search screen. This screen is used to view or edit the timelines that were previously imitated using the setup screen.

7.1.2.1 All Loan Search Information Criteria

Field	Description
Loan Skey	Servicing Module system identification number unique to each loan.
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.
Property Address	Address of the loan property (Enter a partial address if the complete address is

Field	Description
	not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.

Table 7-3: All Loan Information Criteria

7.1.2.2 Servicing Management Search Criteria

Field	Description
Servicing Type	Type of the servicing activity associated with a loan, also known as the timeline.
Timeline Status	Indicator of whether the corresponding servicing activity on a loan is Active, Active Pending, Active Completed or Inactive.
Servicing Status	Next pending step of the active timeline.
Current Step Group	The current step group associated with a step.
Step	Servicing activity step associated with the servicing activity timeline.
Step Status	Indicator of whether the servicing timeline step is completed or is still pending completion by the user.
Scheduled Date	The date that a servicing activity step is scheduled to be completed by the user.
Completion Date	The date that a servicing activity step is actually completed by the user.
Step Group	The group associated with a step, for example, servicer, HUD contractor.
Attorney	For the Foreclosure timeline this is an additional search criteria which allow the user to search for the attorney of the foreclosure.
Case #	For the foreclosure and bankruptcy timelines this is an additional search criteria which allows the user to search for the case #.
Claim Status	Status of the claim.

Table 7-4: All Servicing Management Criteria

When a timeline is initiated, the system displays all standard steps needed to complete the business event. Along with the standard steps, optional steps can be added to the timeline. For certain timelines, the system automatically adds steps within the timelines when the trigger conditions for a previous steps are satisfied or a condition is met within the system. The trigger steps do not appear in the optional steps or the standard steps that appear when the timeline is created.

The system allows authorized users with permission to inactivate a step within the timeline. Only steps with pending status (completion date is not populated) can be made inactive using the **Edit Step window**.

A user can initiate one or more timelines for an activity based on the business rules to complete that activity. If a business rule does not allow multiple timelines for the same activity and for the same loan, the Servicing Module generates a validation message to indicate multiple timelines are not allowed.

7.1.3 Timeline Features

All timelines within the Servicing Module have the standard features listed below:

Feature	Description
Step Description	Each step within a timeline includes a brief description of the action or activity that needs to be performed for that step.
Step Group	Steps within the timeline identify the user group that must complete the activity associated with the step. The step can be completed only by users who are members of the relevant step group. The step groups within the Servicing Module are Servicer, HUD contractor and HUD. Only one step group is associated with each step.
Scheduled Date	Each timeline step has a scheduled date, this schedule date alerts the user regarding the time available to complete the step.
Completion Date	This date is populated by the user/system when the activity corresponding to the step is completed.

Table 7-5: Timeline Features

7.1.4 Additional Timeline Features

The table below provides the list of additional features for the timelines:

Feature	Description
Responsible Party	When the timeline is initiated, for HUD user groups, the system allows the assignment of a responsible party to manage the timeline. The responsible party is a HUD staff member that will follow up on the timeline and will ensure that the activities within the timeline are completed in a timely manner. The search screen for each timeline category has the responsible party as a query field to search and generate the workflow results.
Documents Upload	Some timelines have steps that require the step group to upload documentation supporting the completion of the activity. These steps cannot be completed without uploading the required documents. Once the documents are uploaded, the system will auto-save the documents on the documents tab. It will also provide a PDF icon beside the step to view the attached documents. Only documents in a PDF file format can be attached.
Letters/Forms	Some timeline steps have activities that require the generation of letters from the system. Similarly, certain steps have forms associated with the activity that require completion of the form. Such steps with letters/forms are distinguished in the system with a magnifying glass icon displayed beside the step. Only the step group associated with the step can view the magnifying glass icon. The system allows the member of the step group to edit the letter/form (if required) and print the document. Printing the document also auto-saves the document to the documents tab. Note: No letters will be generated from the Servicing Module where the step group on the step in the timeline is Servicer. Servicers Letters will be generated from their own system.

Table 7-6: Additional Timeline Features

The Servicing Module allows authorized users to Bulk Print letters associated with the following compliance timelines for Assigned loans. Refer to **Chapter 9** for more details:

- Occupancy Compliance Certification
- Insurance Flood Policy
- Insurance Hazard Policy
- Taxes Delinquent

7.1.5 Timeline Menu Options

In addition to the above features for timelines, the Servicing Module provides standard menu options for each timeline (visible per the permissions enabled for the user's role). Most of these menu options (with the exception of the Servicing Management screen) are available as part of the loan menu options and are covered in detail in **Chapter 5**.

7.1.5.1 Servicing Management Screen

The Servicing Management screen displays data fields captured when the timeline is initiated. These fields can be edited on the Servicing Management tab after the timeline has been initiated. For authorized user roles, this screen provides options to:

- Update timeline status (selectable options of active or inactive)
- Update the responsible party
- Various timelines have a selection of other fields that you can update

Figure 7-1: Servicing Management Tab

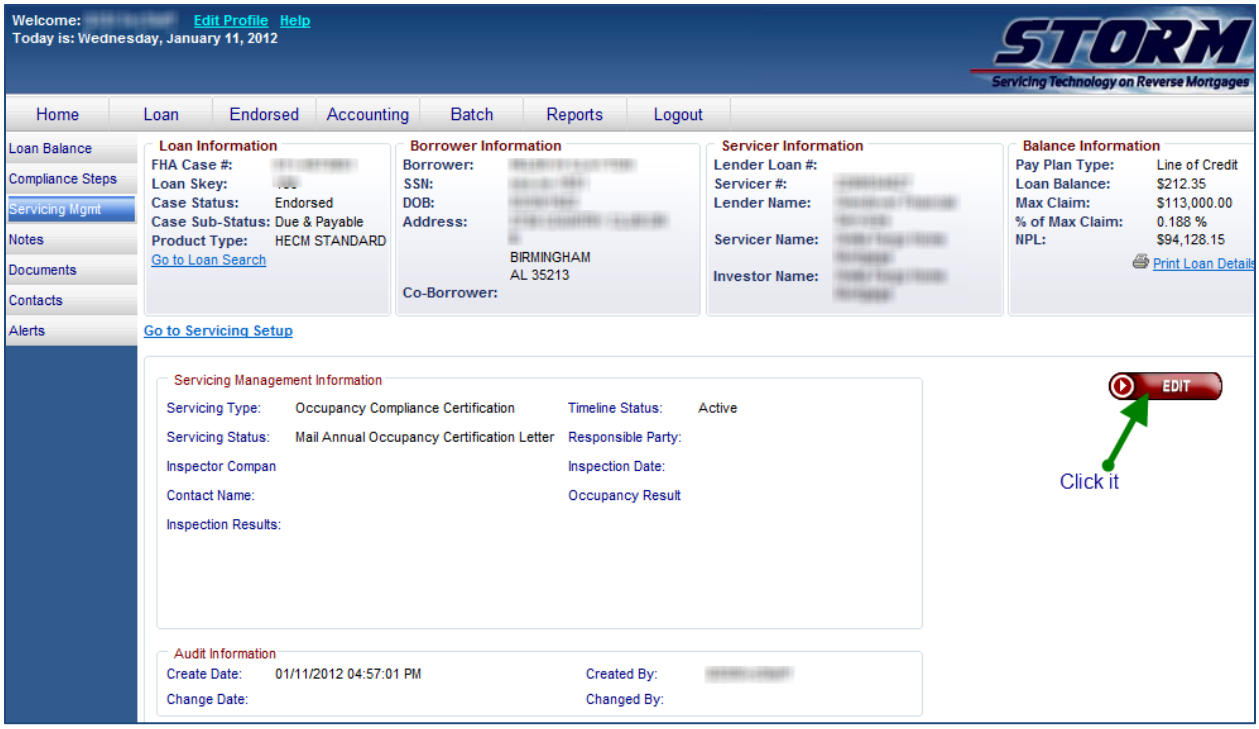

Figure 7-2: The Servicing Management Screen

7.1.5.2 Notes Screen

This screen displays the notes associated with the loan. When a key step for a timeline is completed, the system automatically creates a note to indicate the completion/status of the activity. This note can be viewed in the Notes screen for the selected loan. On this screen, users can also create new notes and filter notes based on the note type for a loan. Only authorized users can create, edit, or delete a note.

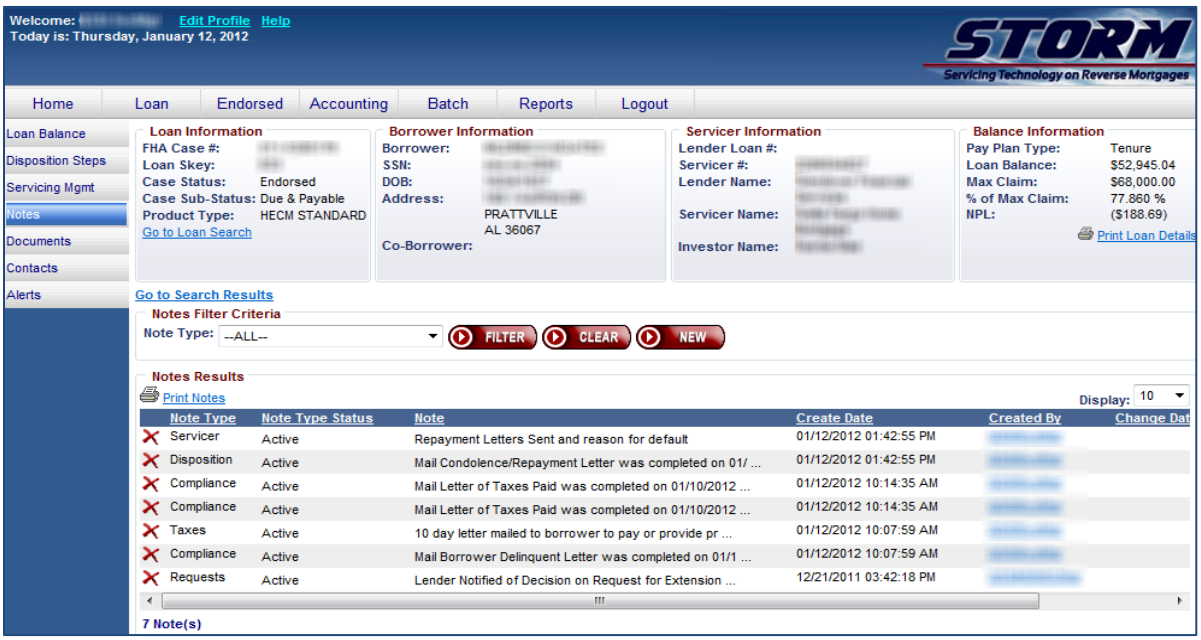

Figure 7-3: The Notes Screen

7.1.5.3 Documents Screen

This screen displays the documents that have been uploaded on the Documents screen. Authorized users can upload and delete documents. Any document that is uploaded via the timeline steps is auto-imaged on the Documents screen. Also, if the **Print** option is selected for any letters/forms the document is auto-saved on the Documents screen. Any document that is auto-imaged to the documents screen cannot be deleted from the system.

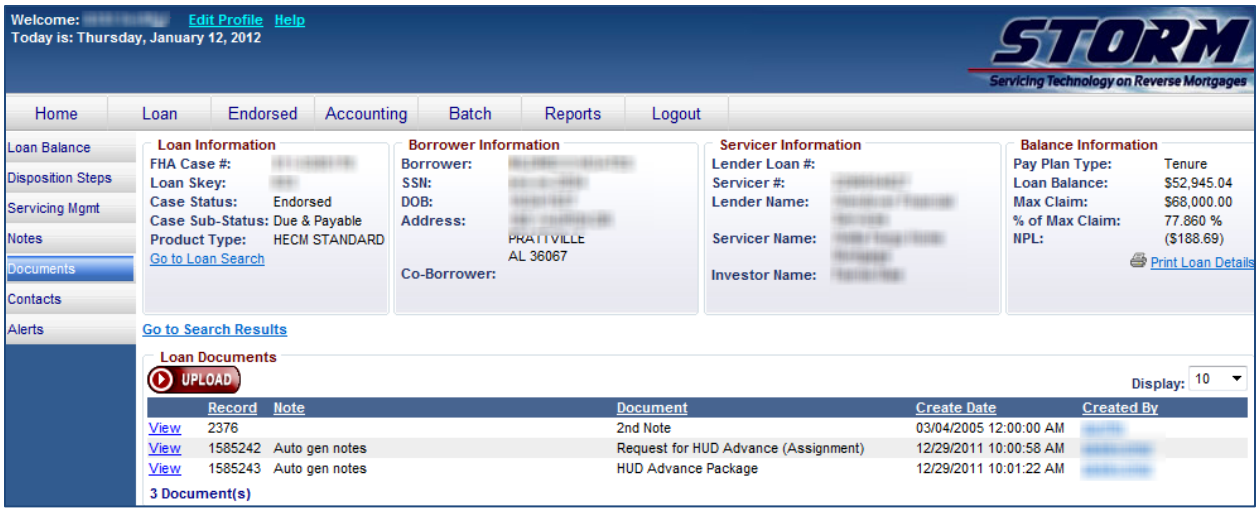

Figure 7-4: The Documents Screen

7.1.5.4 Contacts Screen

This screen displays the borrower and co-borrower information received from CHUMS at the time of loan setup. In addition, the screen enables authorized users to add new contacts, edit contact information for an existing contact, and delete a previously added contact (except for borrower and co-borrower).

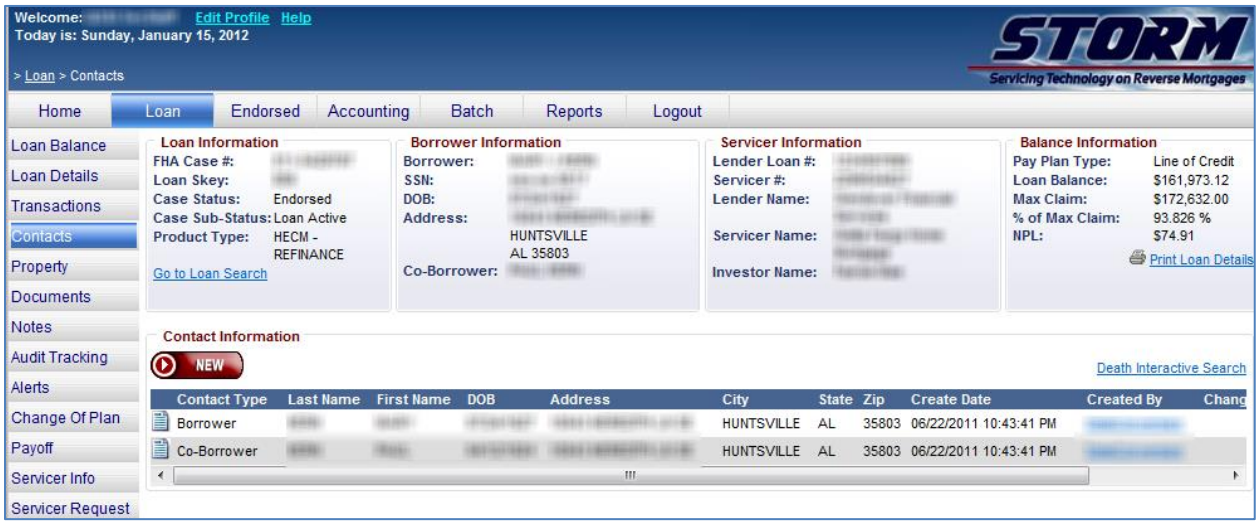

Figure 7-5: The Contacts Screen

7.1.5.5 Alerts Screen

This screen displays the alerts associated with the loan. The Servicing Module automatically adds an alert when the alert condition is identified. In addition, authorized users can manually add an alert on the loan. All users have at least read-only access. Authorized users can add or edit an alert.

Figure 7-6: The Alerts Screen

7.2 Endorsed Timelines (Servicers Only)

The timelines in this section are initiated and completed by servicers. There is no HUD interaction.

7.2.1 Compliance Timelines

7.2.1.1 Occupancy Compliance Certification

A servicer initiates this timeline to ensure that the mortgagor is compliant with HECM occupancy rules and to complete the occupancy inspection process. This timeline is automatically initiated when a loan is established.

Multiple active Occupancy Compliance timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. 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 **Endorsed** menu, select **Compliance** and click **Search**.

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

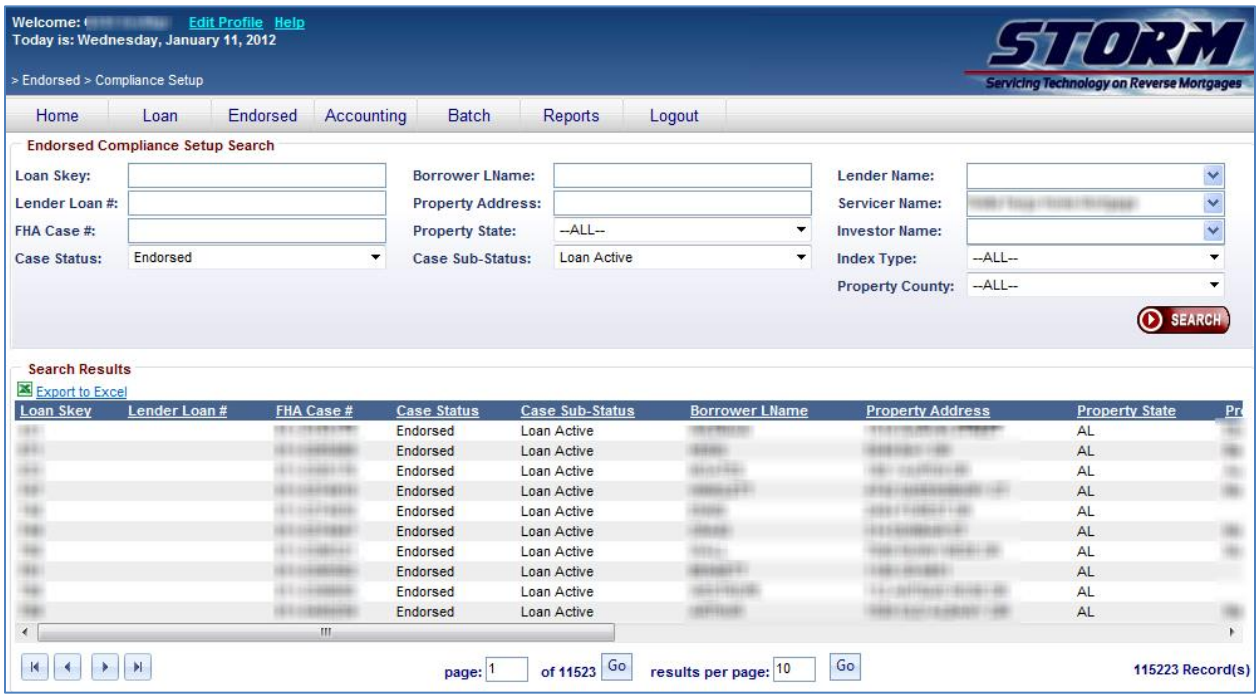

Figure 7-7: Setup Search – Endorsed Occupancy Compliance

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

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

Figure 7-8: Timeline Steps – Endorsed Occupancy Compliance Certification

Step 5. To complete any step in the timeline, click the step. Complete the steps in the timeline when the activity corresponding to the step is complete (For example: **Mail Annual Occupancy Certification Letter**, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window).

Step 6. The completion date is populated beside the step **Mail Annual Occupancy Certification Letter** on the **Compliance Steps** screen.

Step 7. The step **Signed Anniversary Date** completion date is pre-populated with the timeline created date. 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 8. If the Annual Occupancy Certification letter is not received, then the step **Mail Annual Occupancy 2nd Request Letter** is automatically added by the system after an overnight process. The following criteria must be satisfied: step **Signed Anniversary Date** and **Mail Annual Occupancy Certification Letter** are completed but step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 9. The step **Telephone/Verbal Confirmation of Occupancy Made** is automatically added by the system. The following criteria must be satisfied: 30 days have passed since step **Signed Anniversary Date** completion and step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 10. 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 the step **Signed Anniversary Date** completion and step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 11. To complete the step **Annual Occupancy Cert Letter Received**, the following steps must be done first:

- Mail Annual Occupancy 2nd Request Letter
- Order Property Inspection and SSI Search

Step 12. The step **Received Property Inspection** is automatically added by the system. The following criteria must be satisfied: Nine days have passed since the step **Order Property Inspection and SSI Search** is completed.

Step 13. The step **Re-start Annual Occupancy Certification** is auto completed by the system when the scheduled date matches the current system date. The system triggers a new **Occupancy Compliance Certification** timeline when the step **Re-start Annual Occupancy Certification** is complete. The old timeline is automatically inactivated once a new timeline is created by the system.

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

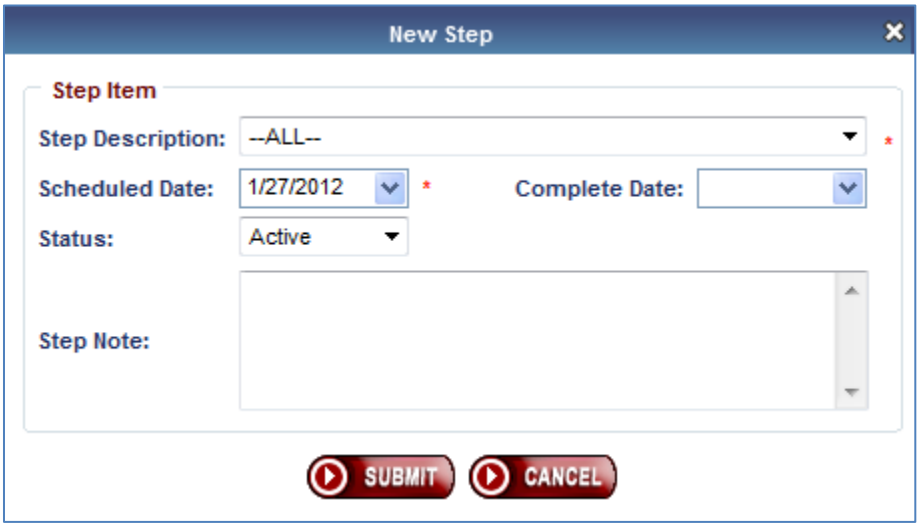

Figure 7-9: New Step – Endorsed Occupancy Compliance Certification

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 Step** window. 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.

7.2.1.2 Insurance - Hazard Policy

A servicer initiates this timeline to verify actions required to comply with hazard insurance requirements. Hazard insurance insures the property in the event there is physical damage to the improvements on the property. When the servicer logs into the system, it displays an alert 30 days before the certification of insurance expires.

Multiple active Insurance Hazard Policy timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. 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 **Endorsed** menu, select **Compliance** and click **Setup**.

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

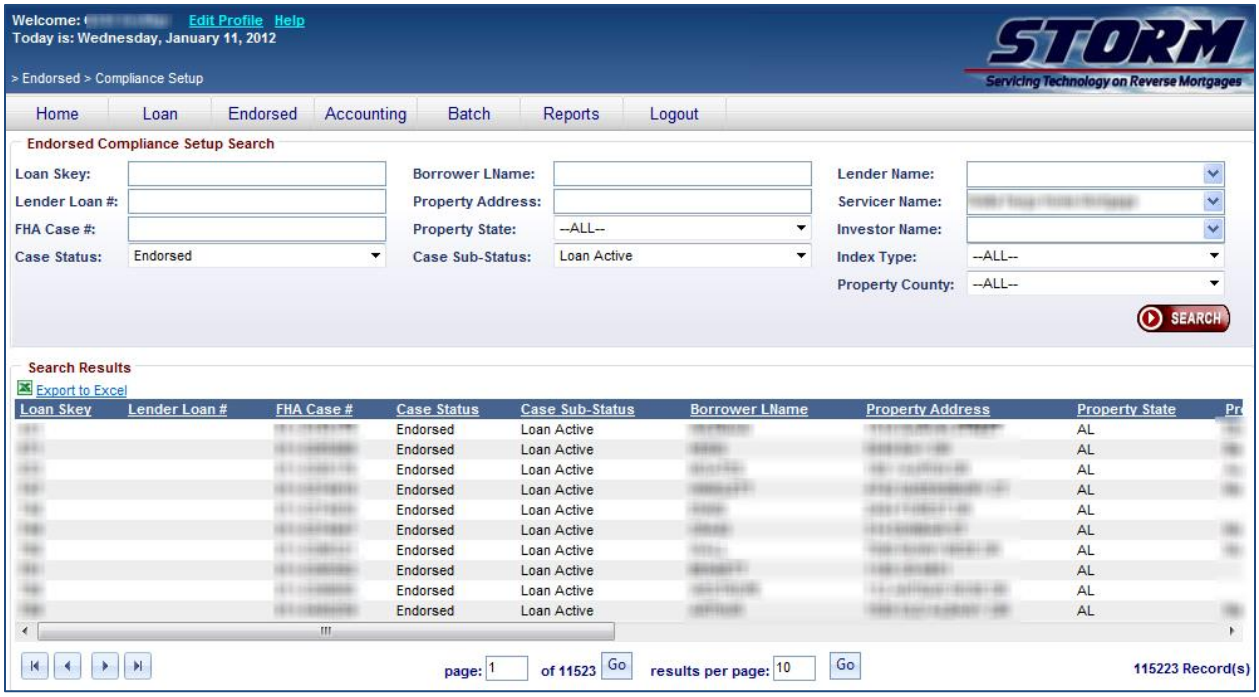

Figure 7-10: Setup Screen for an Endorsed-Hazard Policy Timeline

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.

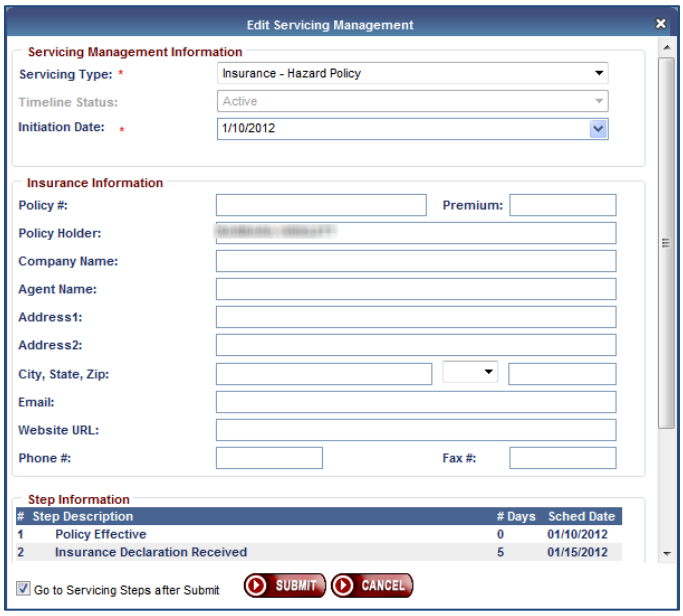

Figure 7-11: Edit Servicing Management – Endorsed Hazard Policy

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 Compliance Setup Search** Screen is displayed).

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

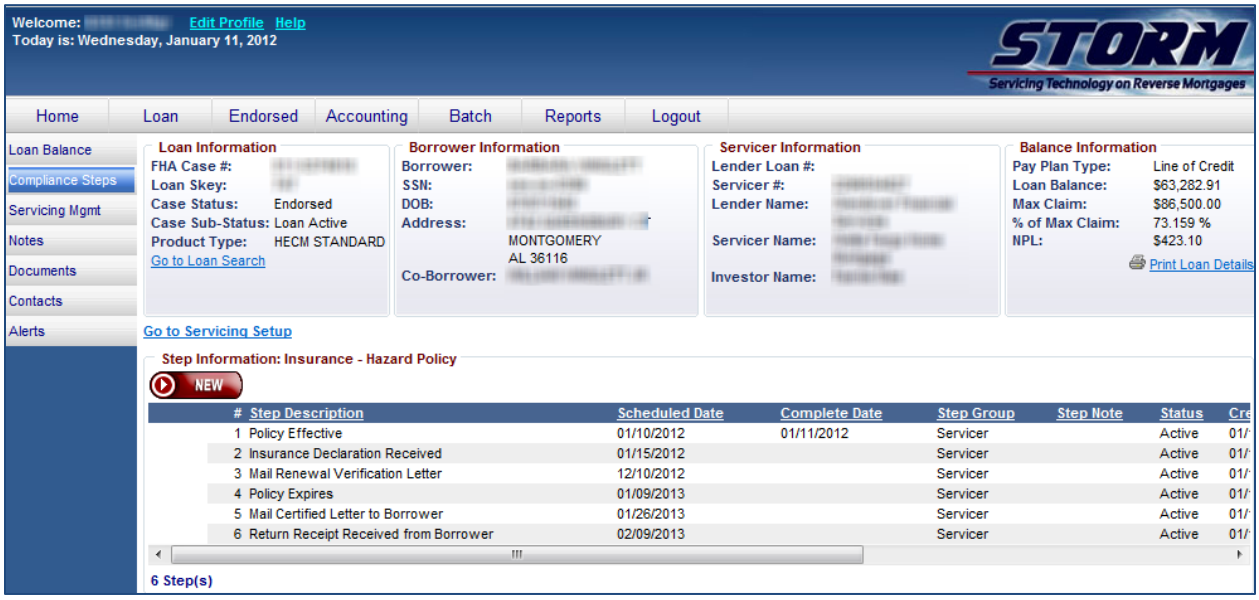

Figure 7-12: Timeline Steps – Endorsed Hazard Policy

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

Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete steps in the timeline, click the step. (For example: **Insurance Declaration Received**).

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 for **Insurance Declaration Received**.

Step 12. Repeat the above to complete the steps **Mail Renewal Verification Letter** and **Policy Expires.**

Step 13. The step **Send 2nd 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 14. Complete the **Send 2nd Request for Policy Verification** step.

Step 15. The step **Notify Loan Counselor** is automatically added by the system. The following criteria must be satisfied: 14 or more days have passed since the completion of step **Send 2nd Request for Policy Verification** OR **Step Received Notification of Policy Cancellation** (this is an optional step) is completed.

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

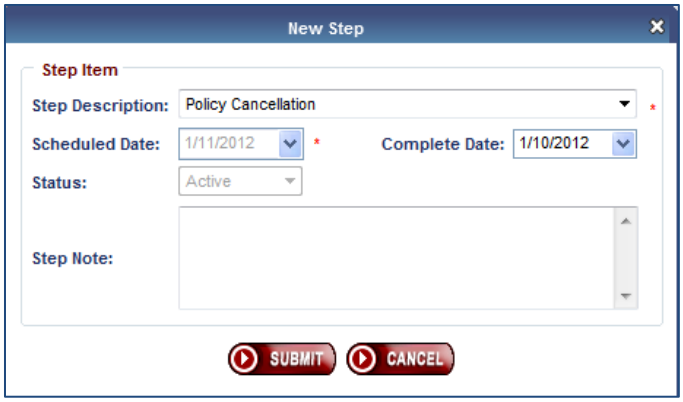

Figure 7-13: New Step – Endorsed Hazard Policy

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

7.2.1.3 Insurance – Flood Policy

A servicer initiates this timeline to verify actions required to comply with flood insurance requirements. If a mortgaged property is located in a flood zone, the mortgagor is required to provide proof of flood insurance. If evidence of required flood insurance is not provided to the mortgagee, the loan could be considered in default.

Multiple active Insurance Flood Policy timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. 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 **Endorsed** menu, select **Compliance** and click **Setup**.

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

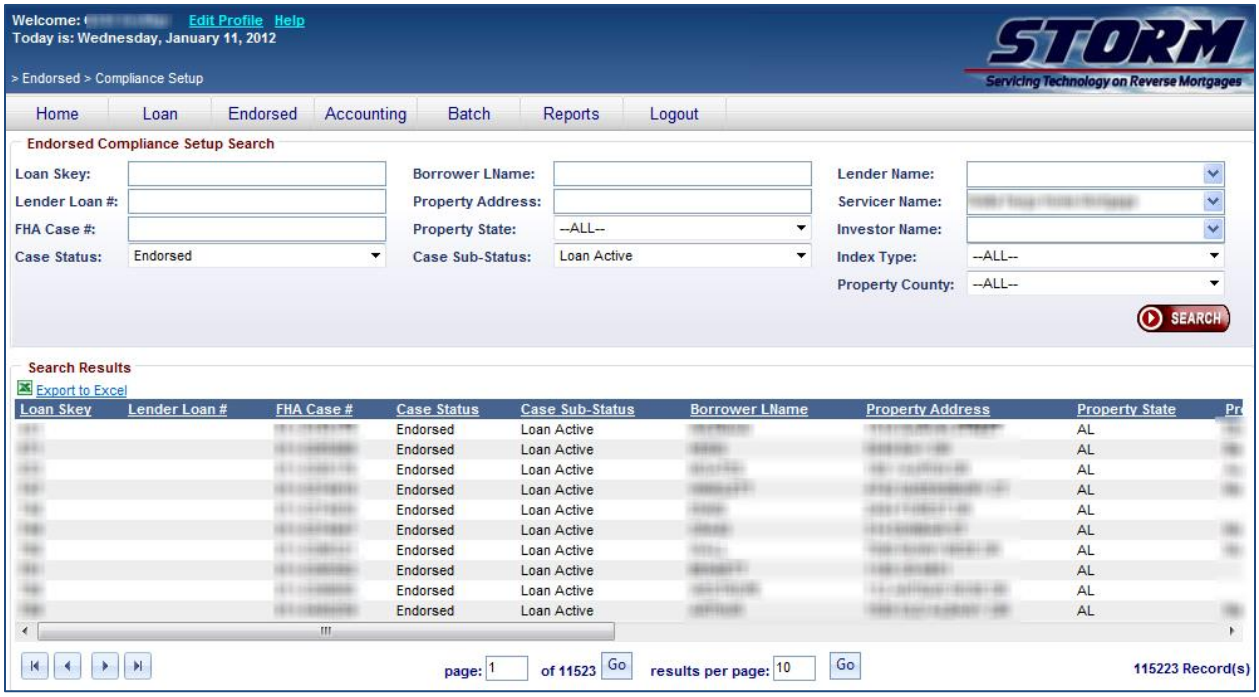

Figure 7-14: Setup Search – Endorsed Flood Policy

Step 3. Click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Insurance Flood 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 timeline is initiated.

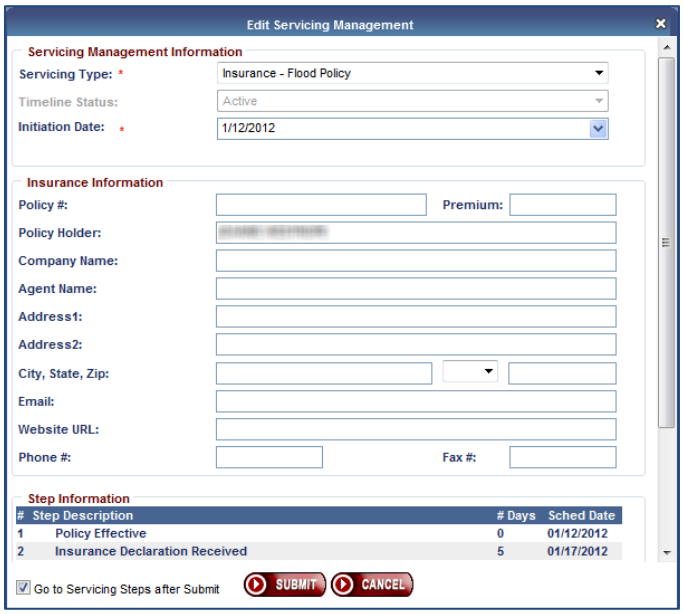

Figure 7-15: Edit Servicing Management – Endorsed Flood Policy

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 **Endorsed Disposition Setup Search** Screen is displayed).

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

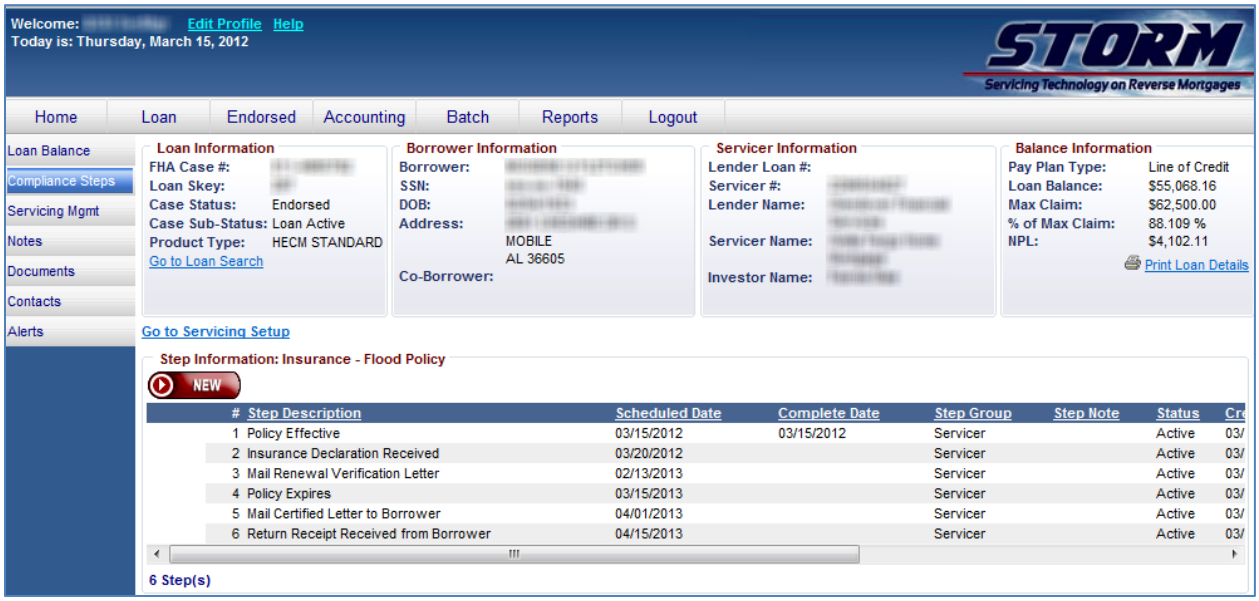

Figure 7-16: Timeline Steps – Endorsed Flood Policy

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

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete steps in the timeline, click the step (For example: **Insurance Declaration Received**).

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

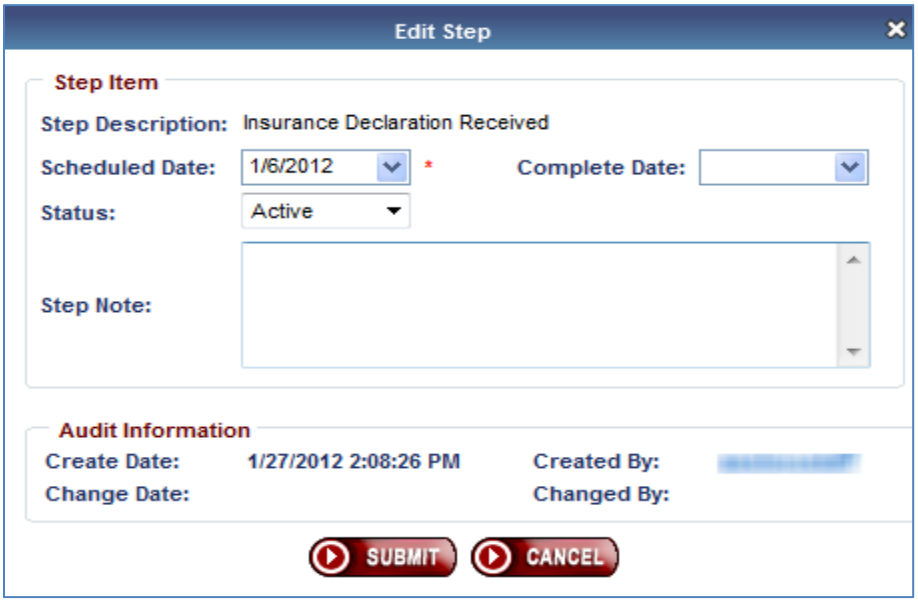

Figure 7-17: Edit Step – Endorsed Flood Policy

Step 11. The completion date is populated beside the **Insurance Declaration Received** step.

Step 12. Repeat the steps above to complete the **Mail Renewal Verification Letter** and the **Policy Expires** steps.

Step 13. The step **Send 2nd Request for Policy Verification** is automatically added by the system after an overnight process. For the system to add this step, the following criteria must be satisfied: One day has passed since completion of step **Policy expires** and step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 14. Complete the **Send 2nd Request for Policy Verification** step.

Step 15. The step **Notify Loan Counselor** is automatically added by the system. For the system to add this step, the following criteria must be satisfied: 14 or more days have passed since completion of step **Send 2nd Request for Policy Verification** OR step **Received Notification of Policy Cancellation** (this is an optional step) is completed.

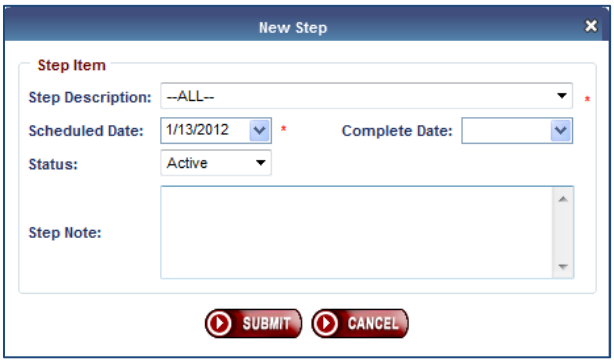

Figure 7-18: New Step – Endorsed Flood Policy

Step 16. 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 is added to the list of steps.

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

7.2.1.4 Insurance – Force Placed

A servicer initiates this timeline to verify actions required to comply with force placed insurance requirements. If a mortgagor fails to maintain and provide evidence of force placed insurance coverage on his or her property, the mortgagee could acquire force placed insurance on their behalf.

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

To initiate and complete the **Insurance – Force Placed** timeline:

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

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

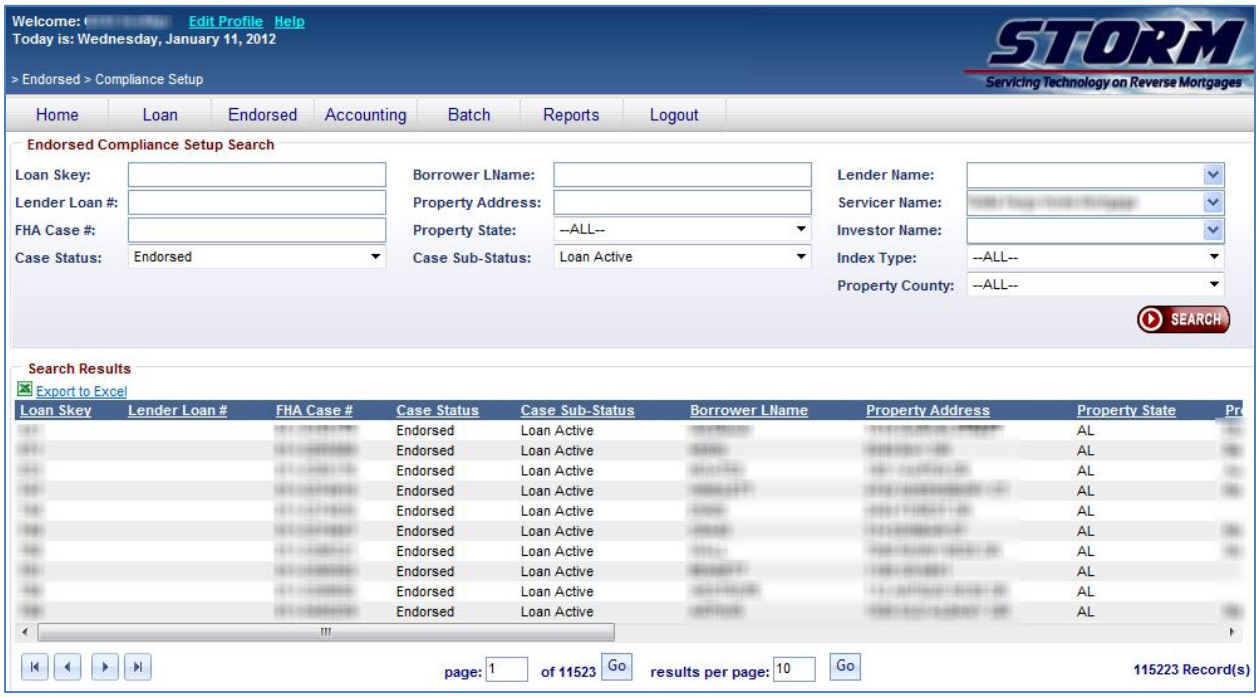

Figure 7-19: Setup Search – Endorsed Force Placed

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

Step 4. On the **Edit Servicing Management** screen, select **Insurance Force Placed** 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.

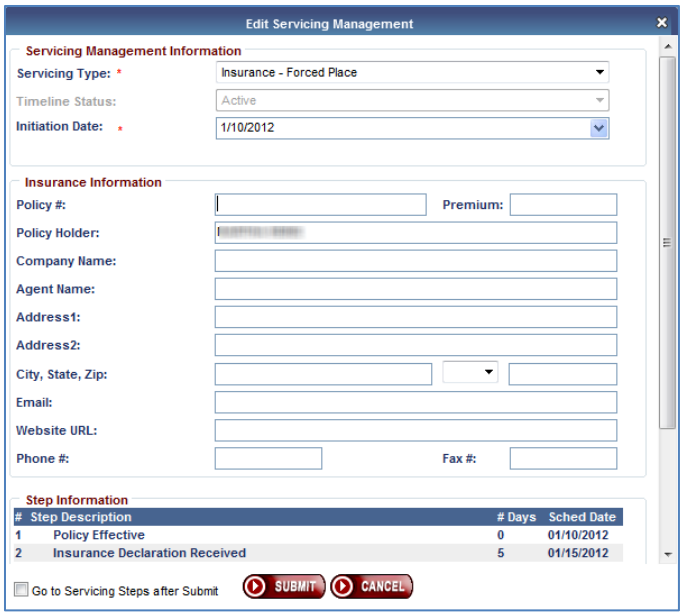

Figure 7-20: Edit Servicing Management – Endorsed Force Placed

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 **Endorsed Compliance Setup Search** screen is displayed).

Step 7. The **Compliance Steps** screen for **Insurance Force Placed** timeline is displayed.

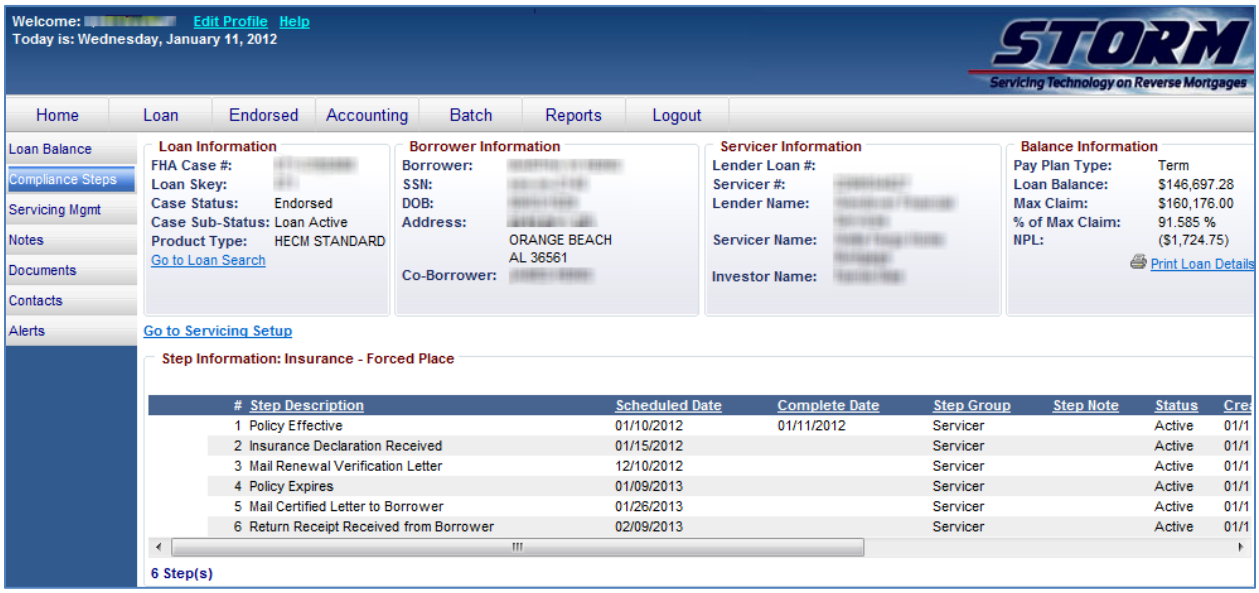

Figure 7-21: Timeline Steps – Endorsed Force Placed

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

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete steps in the timeline, click the step. (For example: **Insurance declaration received**).

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

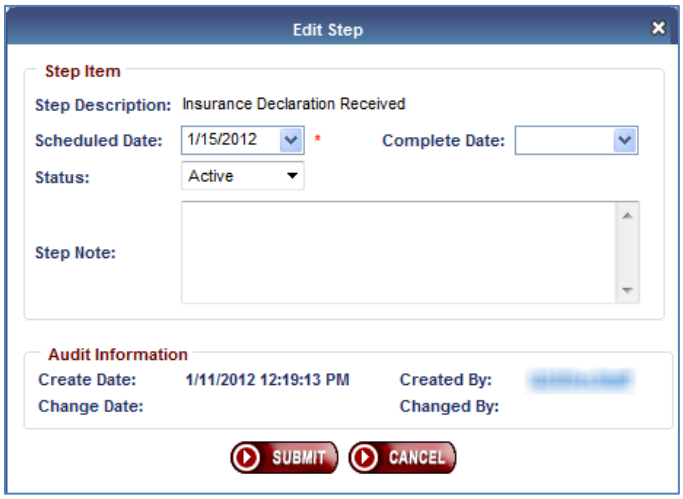

Figure 7-22: Edit Step – Endorsed Force Placed

Step 11. The completion date is populated beside the step **Insurance Declaration Received.**

Step 12. Repeat the above to complete the steps **Mail Renewal Verification Letter** and step **Policy Expires**.

Step 13. The step **Send 2nd 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 step **Policy expires** and step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 14. Complete the **Send 2nd Request for Policy Verification** step.

Step 15. The step **Notify Loan Counselor** is automatically added by the system. The following criteria must be satisfied: 14 or more days have passed since completion of Step **Send 2nd Request for Policy Verification** OR **Step Received Notification of Policy Cancellation** (this is an optional step) is completed.

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

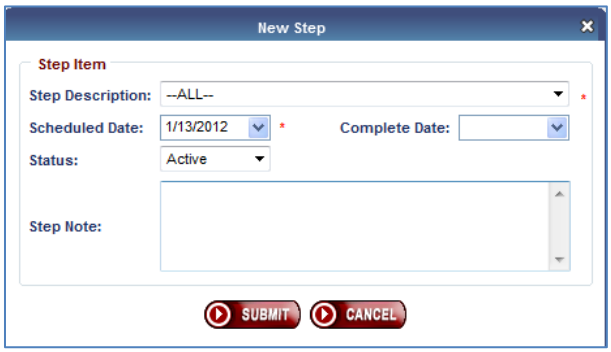

Figure 7-23: New Step – Endorsed Force Placed

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 is added to the list of steps.

Step 18. 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 19. Repeat the above instructions to add and complete other optional steps.

7.2.1.5 Repairs

When a mortgagor needs to access Repair Set Aside funds, the Servicer will initiate this timeline to track the completion and payment of the repairs. This timeline can be initiated only if the loan has Repair Set Aside amount.

Multiple active Repairs timelines can be initiated on a loan to track multiple repairs. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

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

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

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

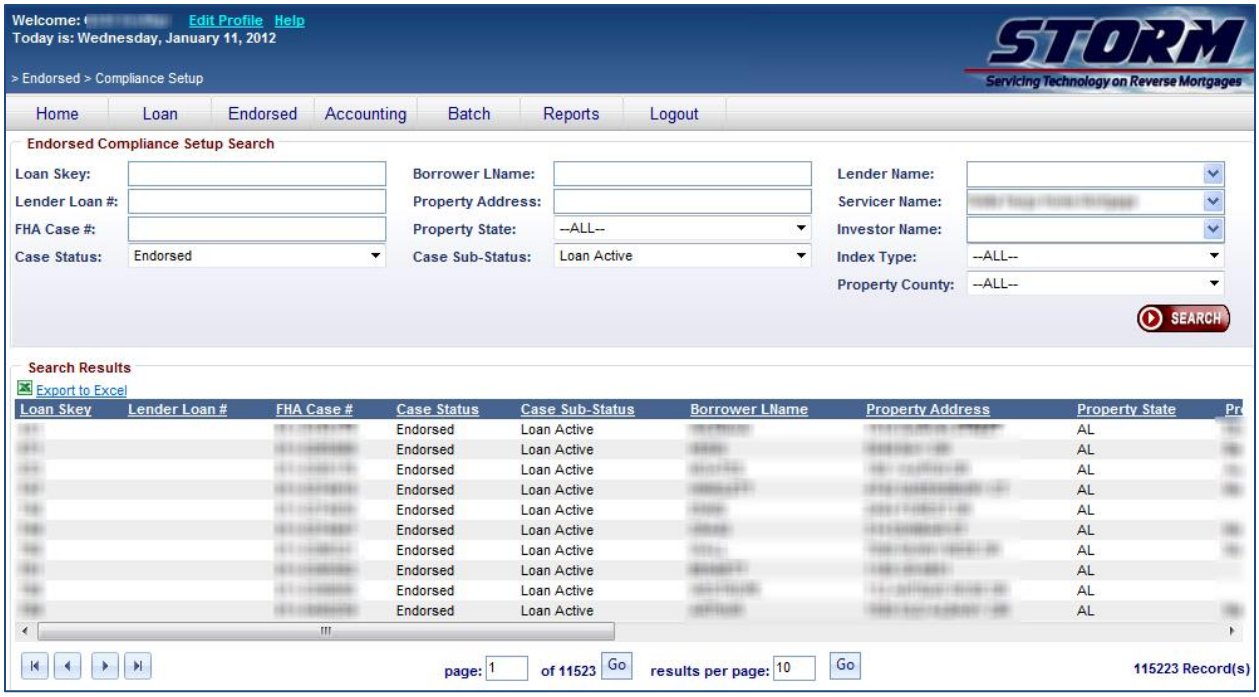

Figure 7-24: Setup Search – Endorsed Repairs

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

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

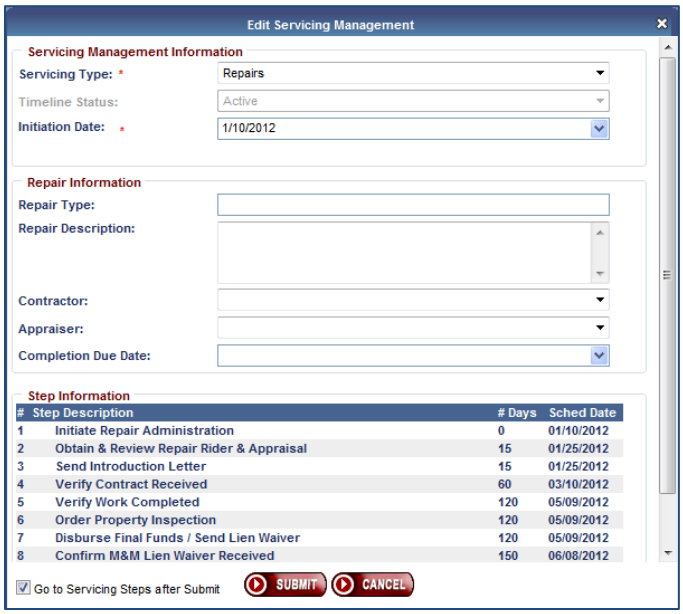

Figure 7-25: Edit Servicing Management – Endorsed Repairs

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 Disposition Setup Search** Screen will be displayed).

Step 7. The **Compliance Steps** screen for the **Repairs** timeline is displayed.

Figure 7-26: Timeline Steps – Endorsed Repairs

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

Step 9. Initiation Date is populated at the time of timeline initiation.

Step 10. Complete the remaining steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: **Obtain & Review Repair Rider & Appraisal**).

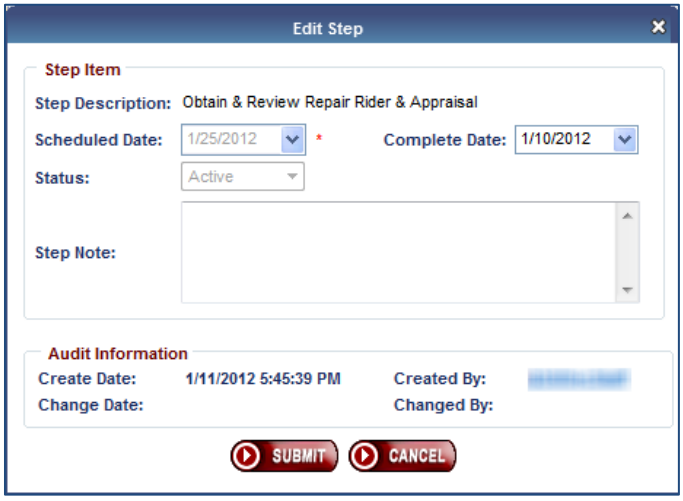

Figure 7-27: Edit Step – Endorsed Repairs

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 **Obtain & Review Repair Rider & Appraisal** on the **Compliance Steps** screen.

Step 13. To add an optional step, 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 window. 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, and click **Submit** on the **Edit Step** window.

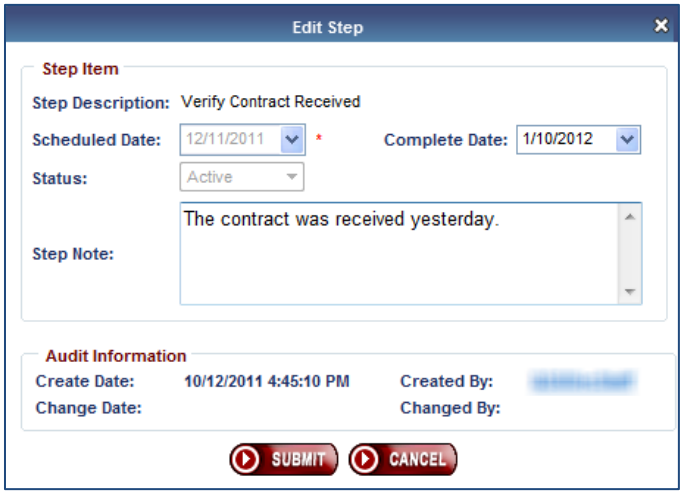

Figure 7-28: Edit Step – Endorsed Repairs

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

Step 17. To add multiple **Repairs** timelines, repeat the steps to initiate and complete the timeline as mentioned above for the second timeline.

7.2.1.6 Taxes Delinquent

When the mortgagor defaults on taxes, the servicer initiates this timeline to track the tax payment. The delinquent notification is sent to the mortgagor requesting the tax payment to avoid the loan being Due and Payable.

Multiple active Taxes Delinquent timelines can be initiated on a loan to track multiple delinquencies. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

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

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

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

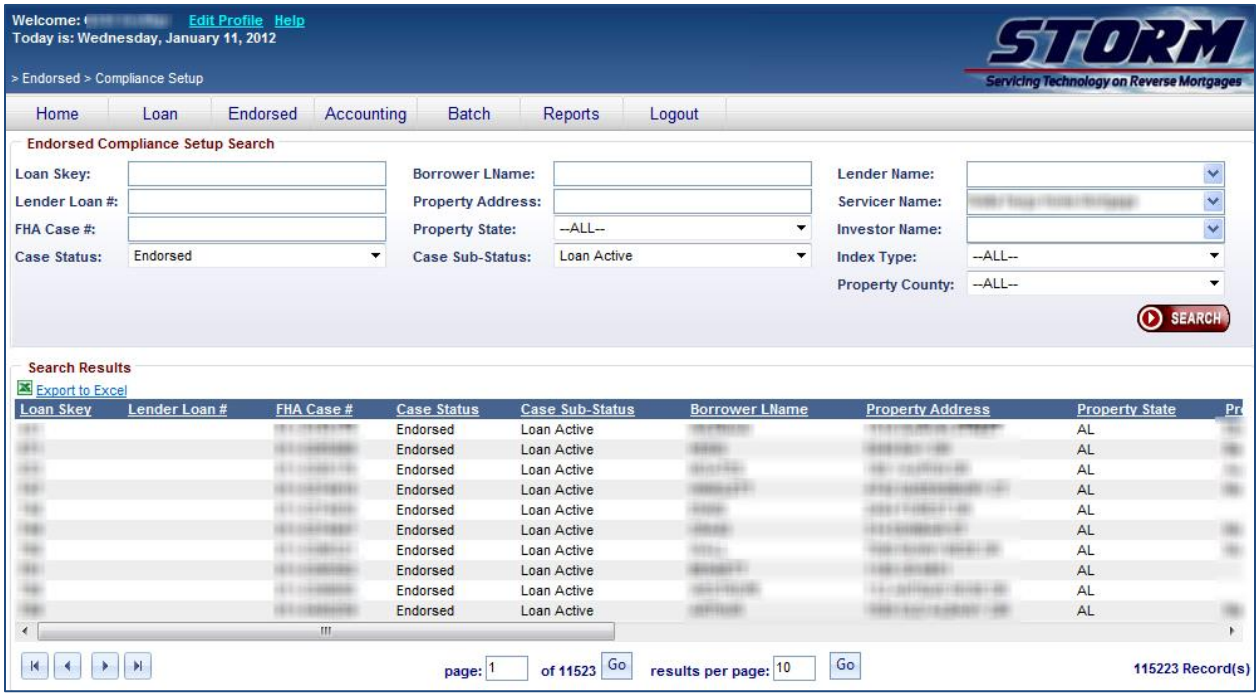

Figure 7-29: Setup Search – Endorsed Taxes Delinquent

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

Step 4. The **Edit Servicing Management** screen is displayed.

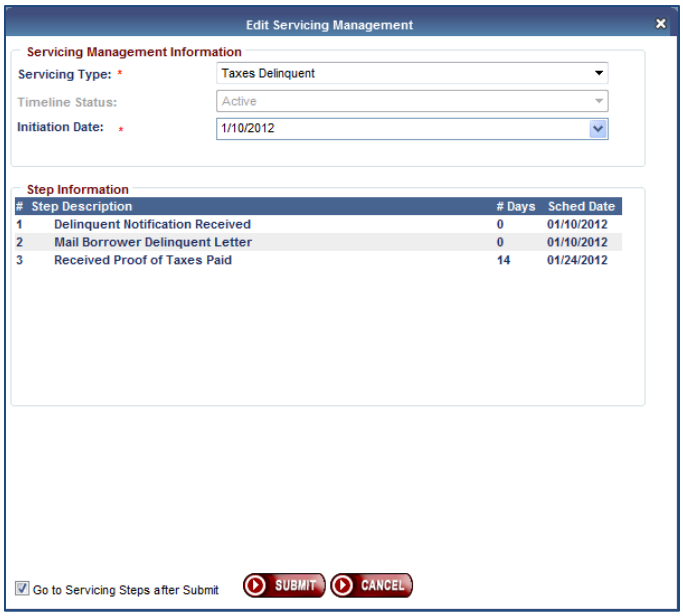

Figure 7-30: Edit Servicing Management – Endorsed Taxes Delinquent

Step 5. Select **Taxes Delinquent** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Step 6. Click **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 7. Click **Submit**. (If you click **Cancel**, the **Endorsed Compliance Setup Search** Screen will be displayed).

Step 8. The **Compliance Steps** screen for **Taxes Delinquent** timeline is displayed.

Figure 7-31: Timeline Steps – Endorsed Taxes Delinquent

Step 9. The step **Delinquent Notification Received** completion date is pre-populated with the timeline created date.

Step 10. Complete the remaining steps in the timeline when the corresponding is complete. To complete any step in the timeline, click the step, (For example: **Mail Borrower Delinquent Letter**).

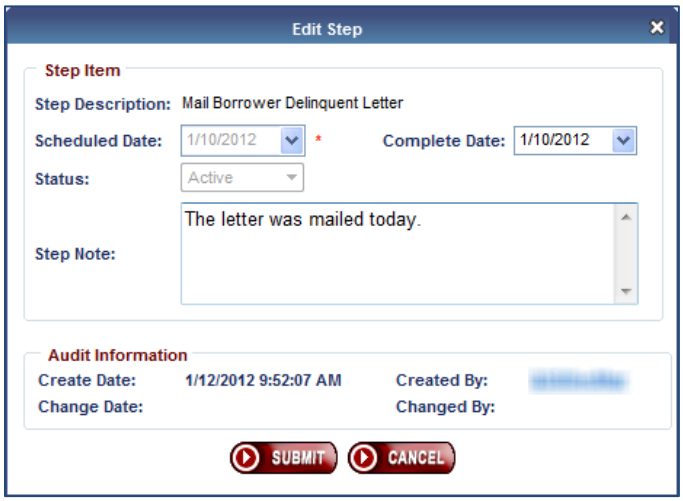

Figure 7-32: Edit Step – Endorsed Taxes Delinquent

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 **Mail Borrower Delinquent Letter** on the **Compliance Steps** screen.

Step 13. 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.

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

Step 15. To add an optional steps. Click **New.**

Step 16. 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.

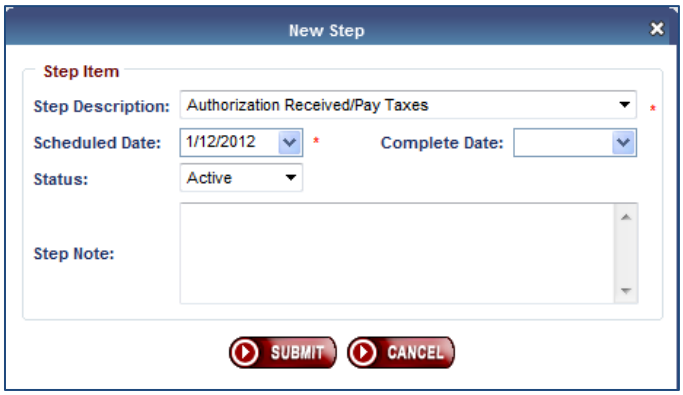

Figure 7-33: New Step – Endorsed Taxes Delinquent

Step 17. 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 18. Repeat the above instructions to add and complete other optional steps.

Step 19. To add multiple Taxes Delinquent timelines, repeat the steps to initiate and complete the timeline as mentioned above for the second timeline.

7.2.2 Dispositions Timelines

7.2.2.1 Due and Payable w/o HUD Approval

The Due & Payable without HUD Approval timeline is initiated by a servicer to notify HUD of the Due and Payable event. The servicer does not need HUD approval for the following default reasons: Conveyed Title and Death.

When a servicer populates the death date of the last surviving mortgagor (That is the death date entered on the Contact Screen), the system validates for the below and updates the loan sub statuses appropriately:-

- If one or more Non-Borrowing Spouse is/are active on the loan, the loan sub status is automatically updated to Payment Suspended. System will not allow user to manually initiate a Due & Payable w/o HUD Approval timeline.
- If all available Non-Borrowing Spouses are deactivated, the loan sub status is automatically updated to Due & Payable.
- If no Non-Borrowing Spouse is available on the loan, the loan sub status is automatically updated to Due & Payable.

However, the timeline must still be manually completed by the servicer.

For the default reason of Conveyed Title, the servicer must manually initiate the Due & Payable w/o HUD Approval 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.

Multiple active Due & Payable w/o HUD Approval timelines cannot be initiated on a loan. The Servicing management tab can be used to activate or inactivate the timeline and update the default date (only if default reason is Conveyed Title). Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Due & Payable** timeline – Default Reason of Death:

Step 1. From the menu, click **Loan**.

On the **Loan Search** Screen, enter the search criteria and click **Search**.

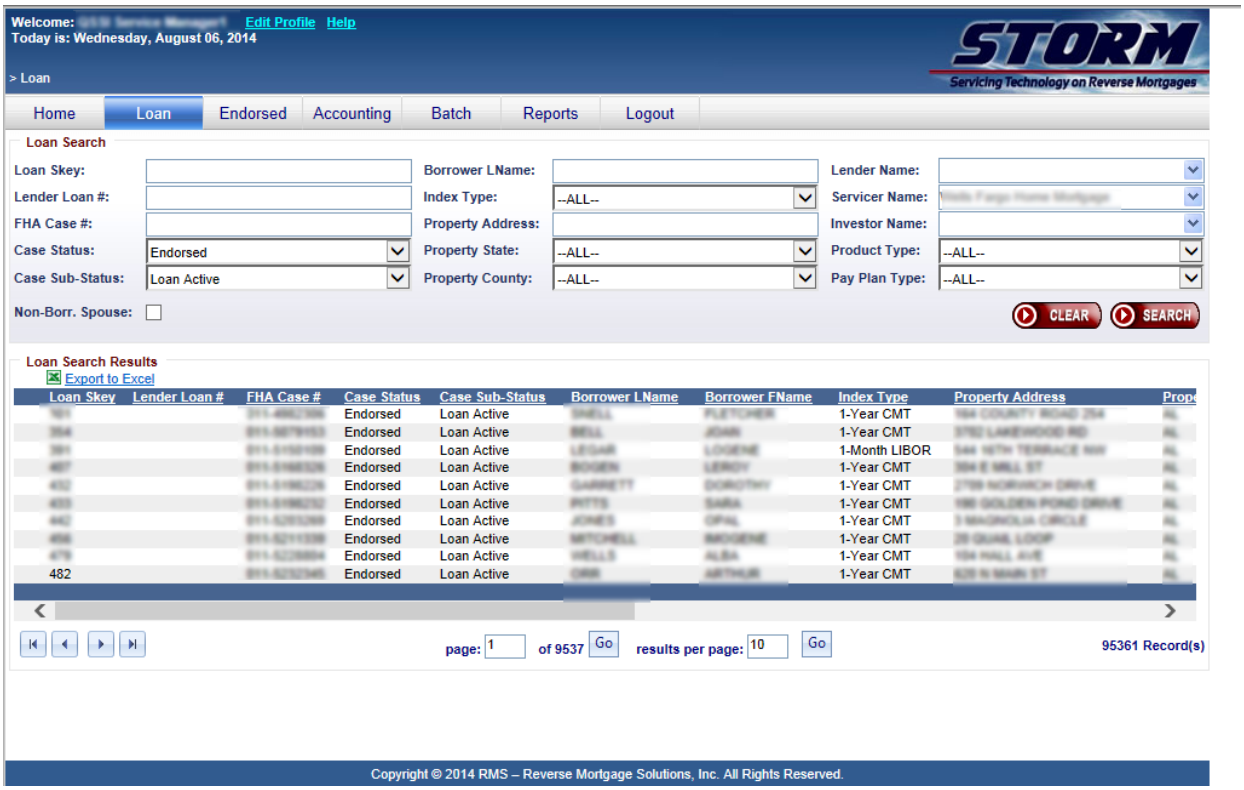

Figure 7-34: Setup Search – Endorsed Due and Payable w/o HUD Approval

Step 2. From the search results, select a loan.

Step 3. The **Loan Balance** screen displays, click the **Contacts** tab on the left menu**.**

Figure 7-35: Loan Balance Screen Selecting Contacts

Step 4. Select the **Document icon** beside the last surviving borrower contact name.

Step 5. 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 w/o HUD approval** timeline for this loan.

Step 6. From the Endorsed menu, select **Disposition** and click **Search**.

Step 7. On the **Endorsed Disposition** search screen, enter the FHA Case # used in step 3 with **Servicing Type** set to **Due and Payable w/o HUD approval** and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Step 8. From the search results, select the loan to view or edit the timeline.

Step 9. The **Disposition Steps** screen for **Due and Payable w/o HUD** approval timeline is displayed.

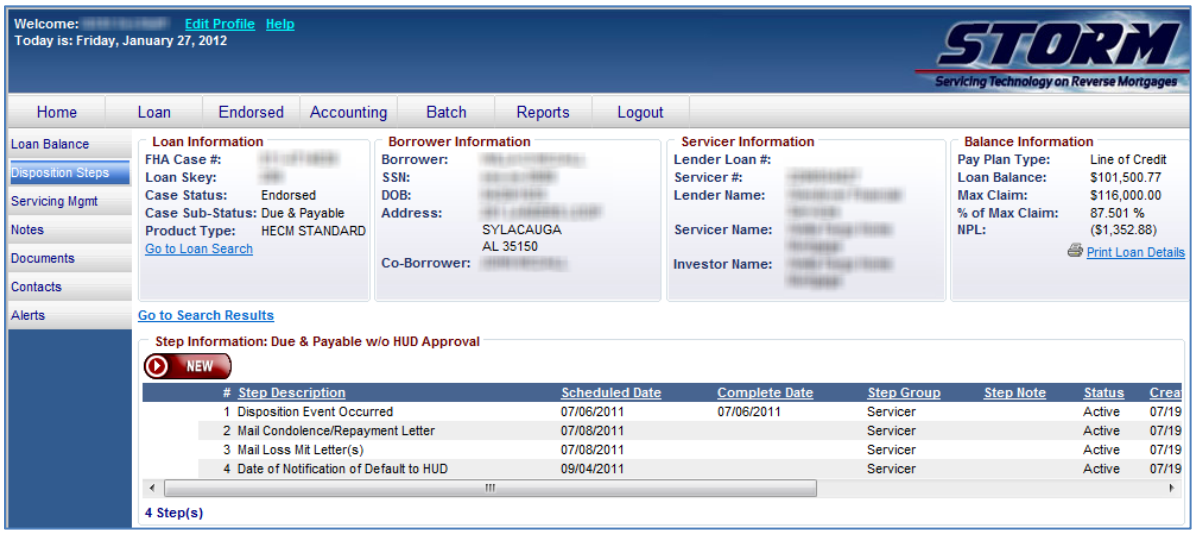

Figure 7-36: Timeline Steps – Endorsed Due and Payable w/o HUD Approval

Step 10. The step **Disposition Event Occurred** completion date is pre-populated with the death date. To edit the Create Date (due and payable notification date), select the **Servicing Mgmt** screen and click **Edit**.

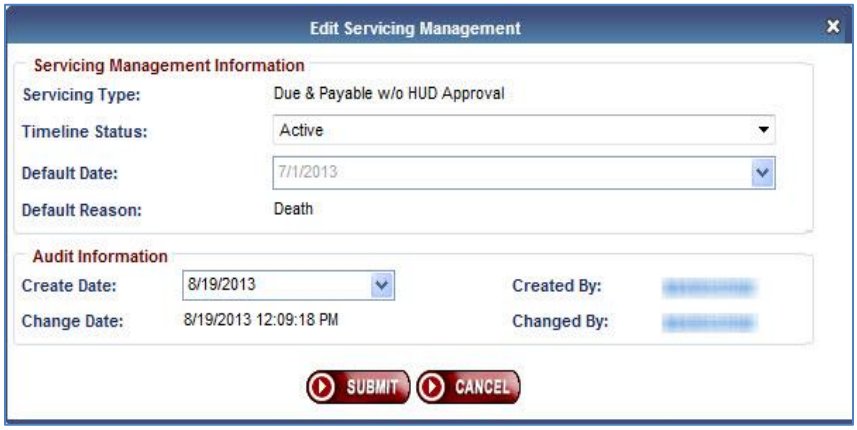

Figure 7-37: Edit Servicing Management – Due & Payable w/o HUD Approval

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: **Mail Condolence/Repayment Letter**).

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 **Mail Condolence/Repayment Letter** on the **Disposition Steps** screen.

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

Figure 7-38: New Step – Endorsed Due and Payable w/o HUD Approval

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 window. The step will be added to the list of steps.

Step 16. 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 17. Repeat the above instructions to add and complete other optional steps.

To initiate and complete the **Due & Payable timeline** – Default Reason of Conveyed Title:

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

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

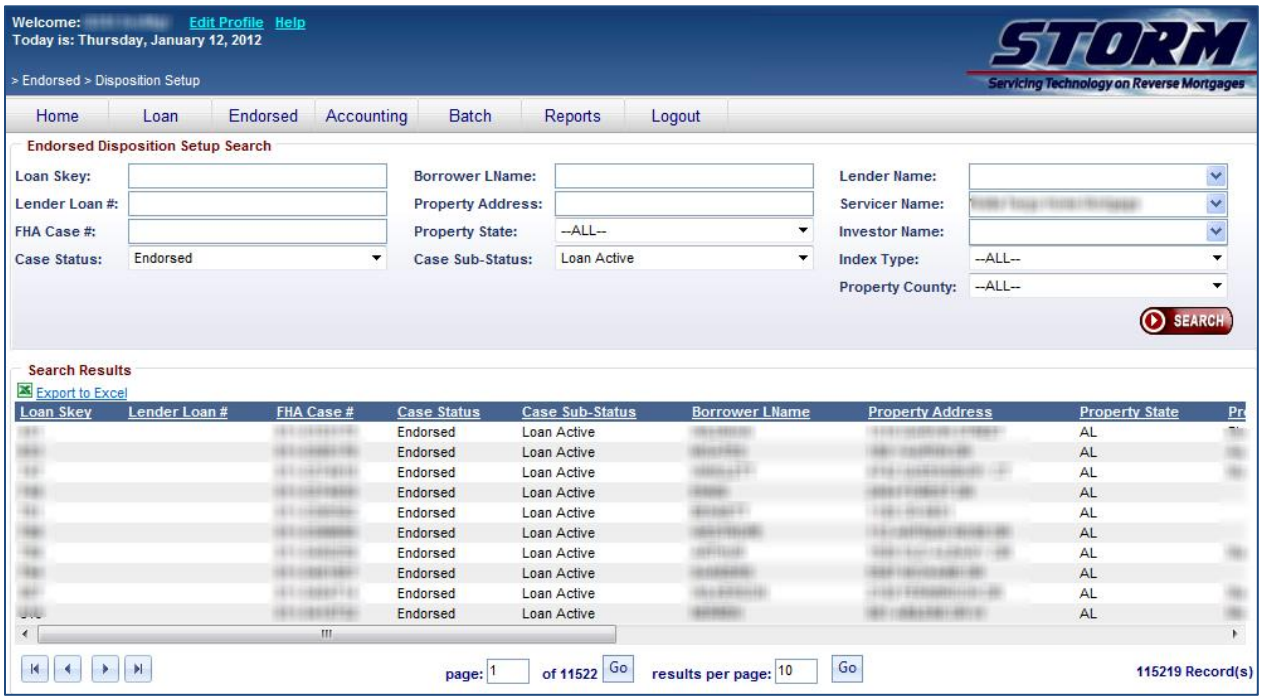

Figure 7-39: Setup Search – Endorsed Due and Payable w/o HUD Approval

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

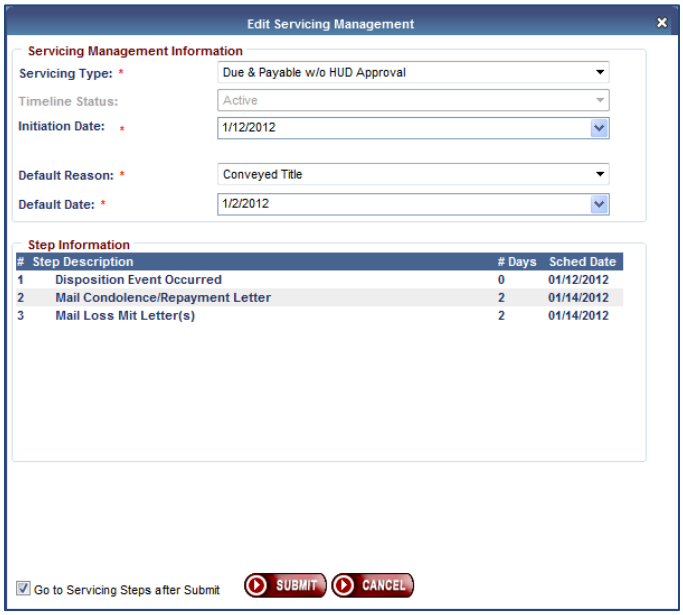

Figure 7-40: Edit Servicing Management – Endorsed Due and Payable w/o HUD Approval

Step 4. On the **Edit Servicing Management** screen, select **Due & Payable w/o HUD Approval** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). You must select **Conveyed Title** for **Default Reason** dropdown.

Step 5. Click **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 Disposition Setup Search** screen will be displayed.

Step 7. The **Disposition Steps** screen for **Due & Payable w/o HUD Approval** timeline is displayed.

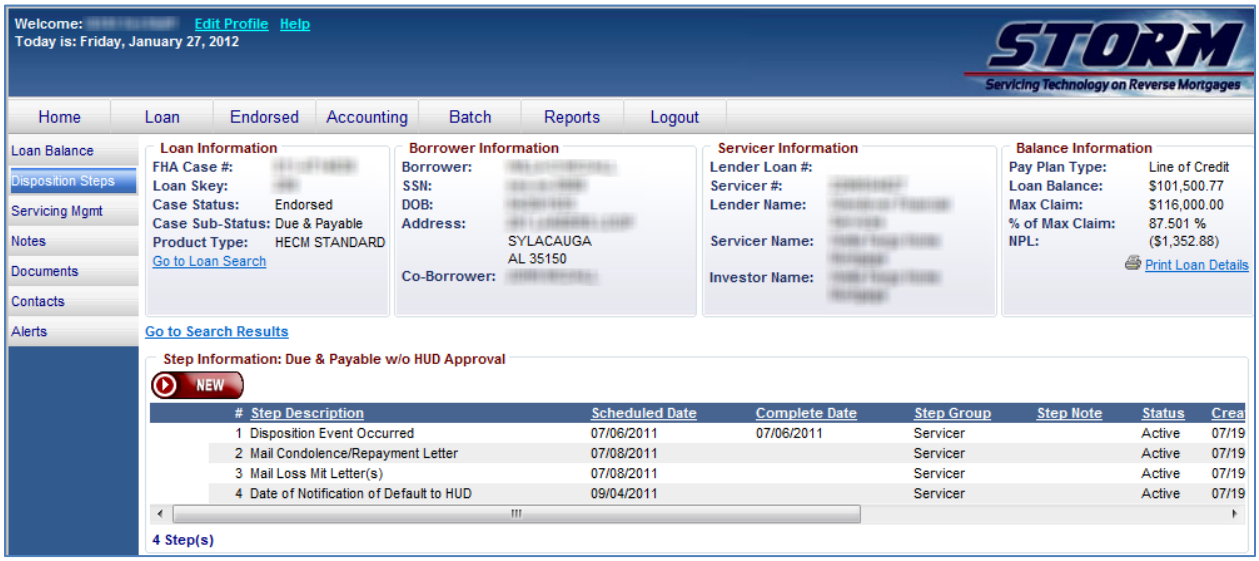

Figure 7-41: Timeline Steps – Endorsed Due and Payable w/o HUD Approval

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

Step 9. 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: **Mail Condolence/Repayment Letter**).

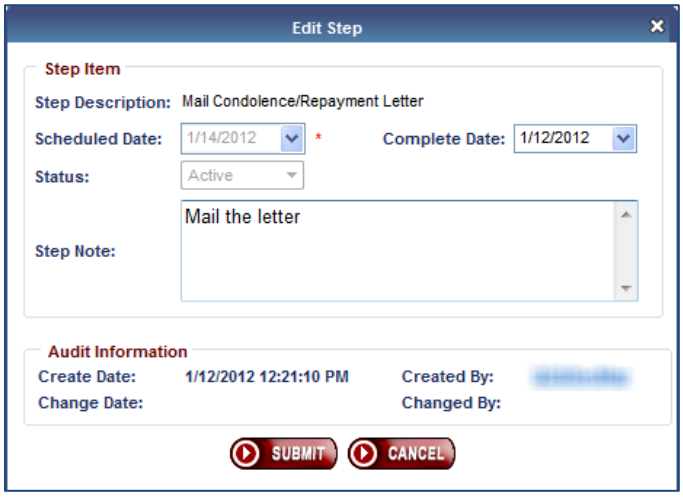

Figure 7-42: Edit Step – Endorsed Due and Payable w/o HUD Approval

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 **Mail Condolence/Repayment Letter** on the **Disposition Steps** screen.

Step 12. To add an optional step, click **New.**

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

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

7.2.2.2 Loss Mitigation - Deed-in-Lieu

A servicer initiates a Loss Mitigation – Deed-in-Lieu timeline when a mortgagor or their estate is willing to surrender the property to the mortgagee and to be released of the mortgage obligations. 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 inactivate the timeline. 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 **Endorsed** menu, select **Disposition** and click **Setup**.

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

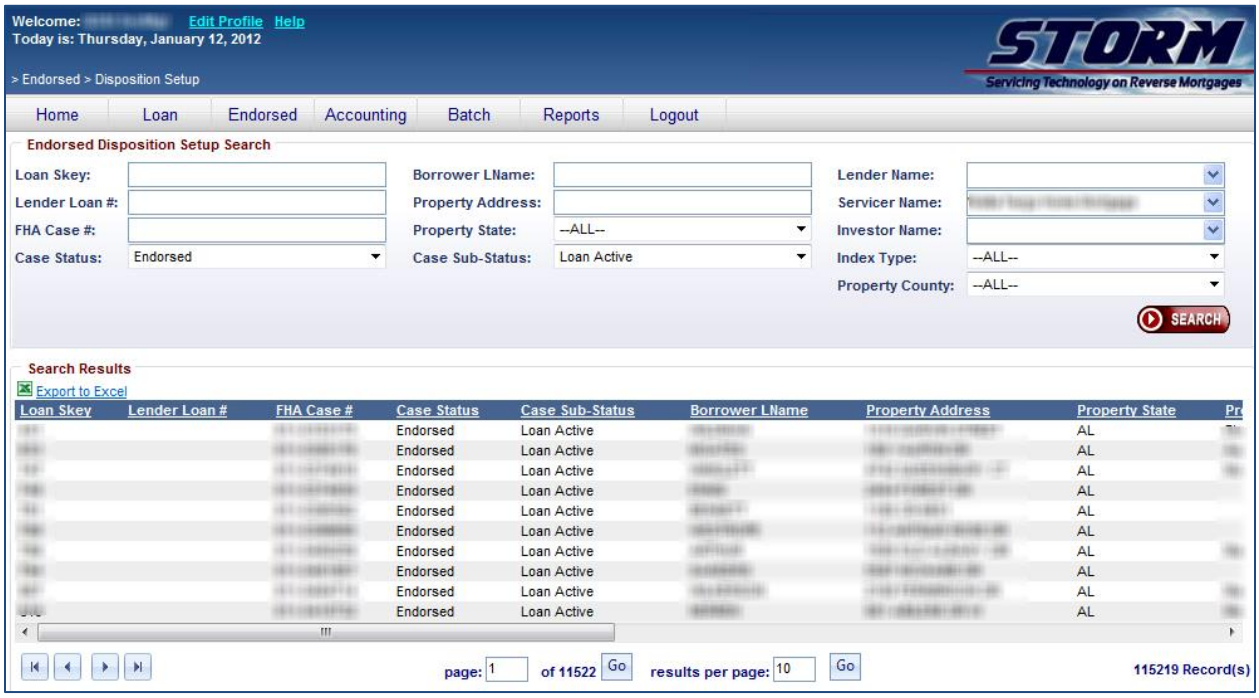

Figure 7-43: Setup Search – Endorsed DIL

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).

Figure 7-44: Edit Servicing Management – Endorsed DIL

Step 5. Click **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 Disposition Setup Search** Screen will be displayed.

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

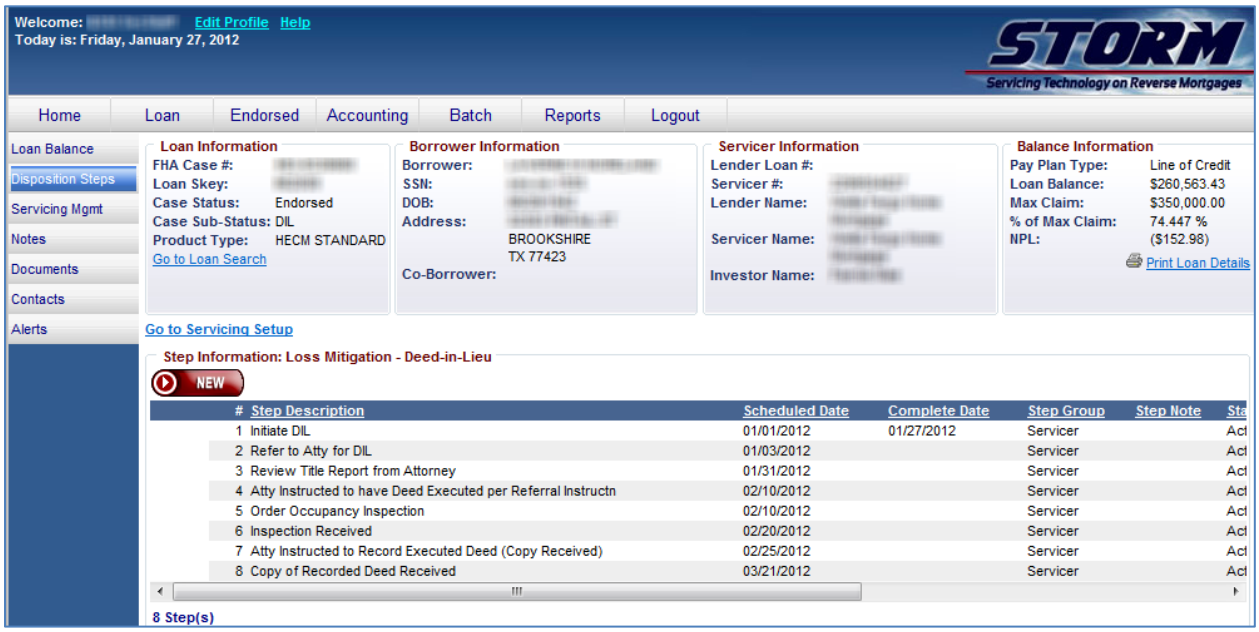

Figure 7-45: Timeline Steps – Endorsed DIL

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

Step 9. 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: **Refer to Atty for DIL**).

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

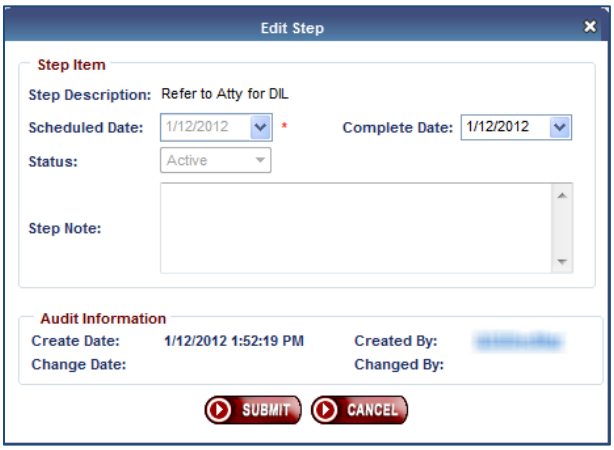

Figure 7-46: Edit Step – Endorsed DIL

Step 11. The completion date is populated beside the step **Refer to Atty for DIL** on the **Disposition Steps** screen.

Step 12. To add an optional step, click **New.**

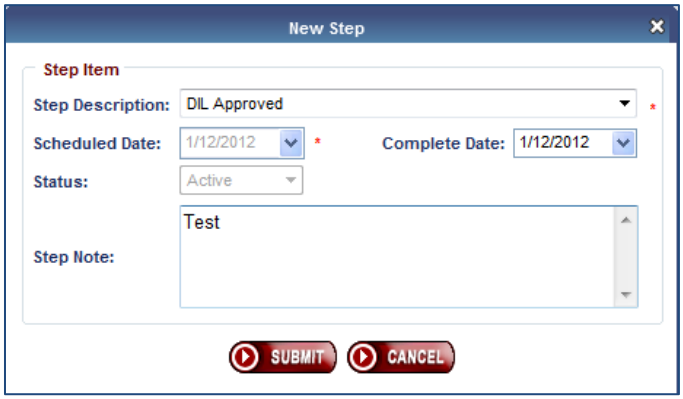

Figure 7-47: New Step – Endorsed DIL

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added to 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, and click **Submit** on the **Edit Step** window.

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

7.2.2.3 Loss Mitigation – Family Sale Pending

The servicer initiates this timeline to track the status on a pending family sale effort and to complete the process to terminate the loan. Upon initiation of this timeline, the case sub-status is updated to Family Sale Pending. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Family Sale Pending timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

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

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

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

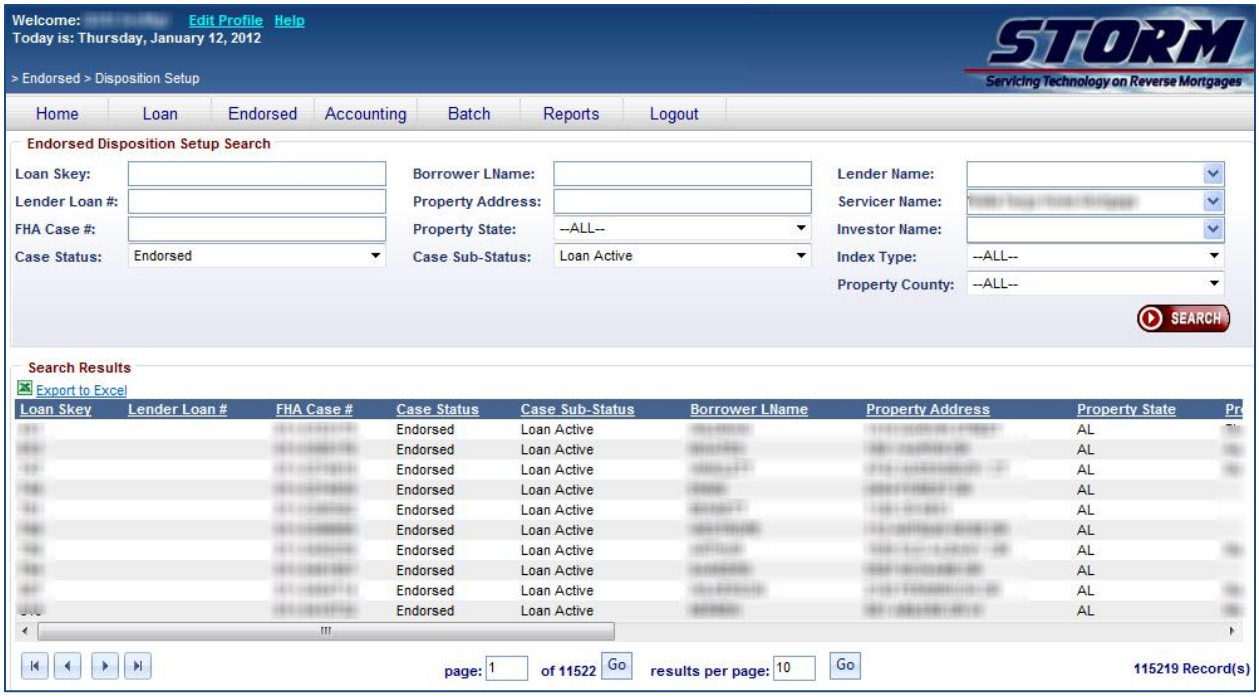

Figure 7-48: Setup Search – Endorsed Family Sale Pending

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

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

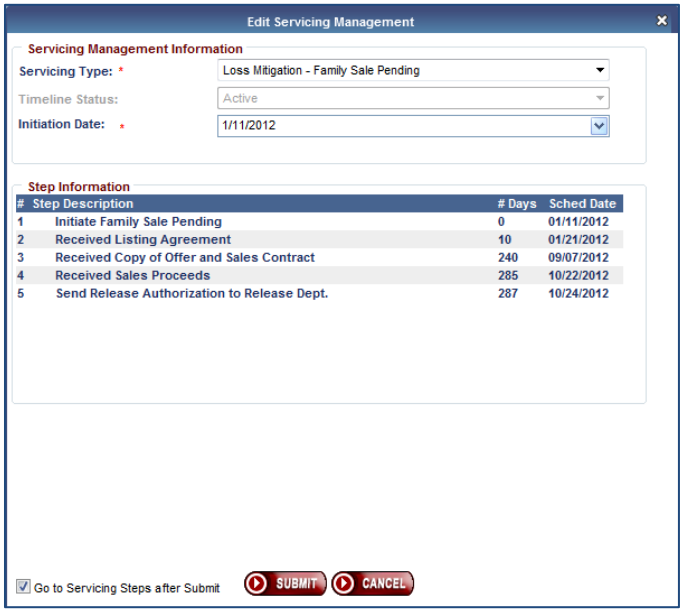

Figure 7-49: Edit Servicing Management – Endorsed Family Sale Pending

Step 5. Click **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 Disposition Setup Search** Screen is displayed).

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

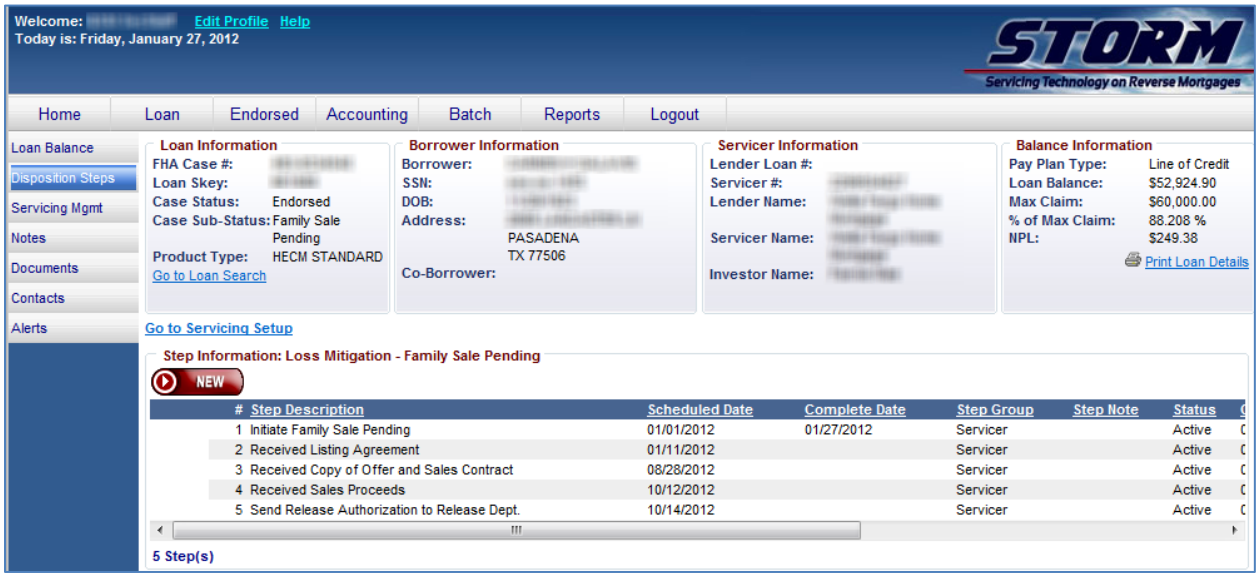

Figure 7-50: Timeline Steps – Endorsed Family Sale Pending

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 activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Received Listing Agreement**).

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

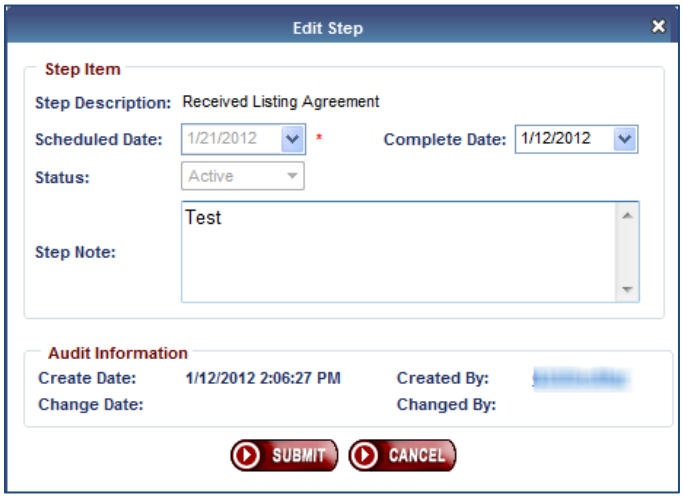

Figure 7-51: Edit Step – Endorsed Family Sale Pending

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 the **Follow up for Status of Sales Effort** step.

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

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

Step 16. 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 17. Repeat the above instructions to add and complete other optional steps.

7.2.2.4 Loss Mitigation – Short Sale

This timeline is initiated by a servicer 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 the threshold percentage (as established by HUD) of the appraised value. If the loan is not Due & Payable, the sale price of the property must be the appraised value. When this timeline is completed, 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 inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

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

Step 1. On the **Endorsed** menu, select **Disposition** and click **Setup**.

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

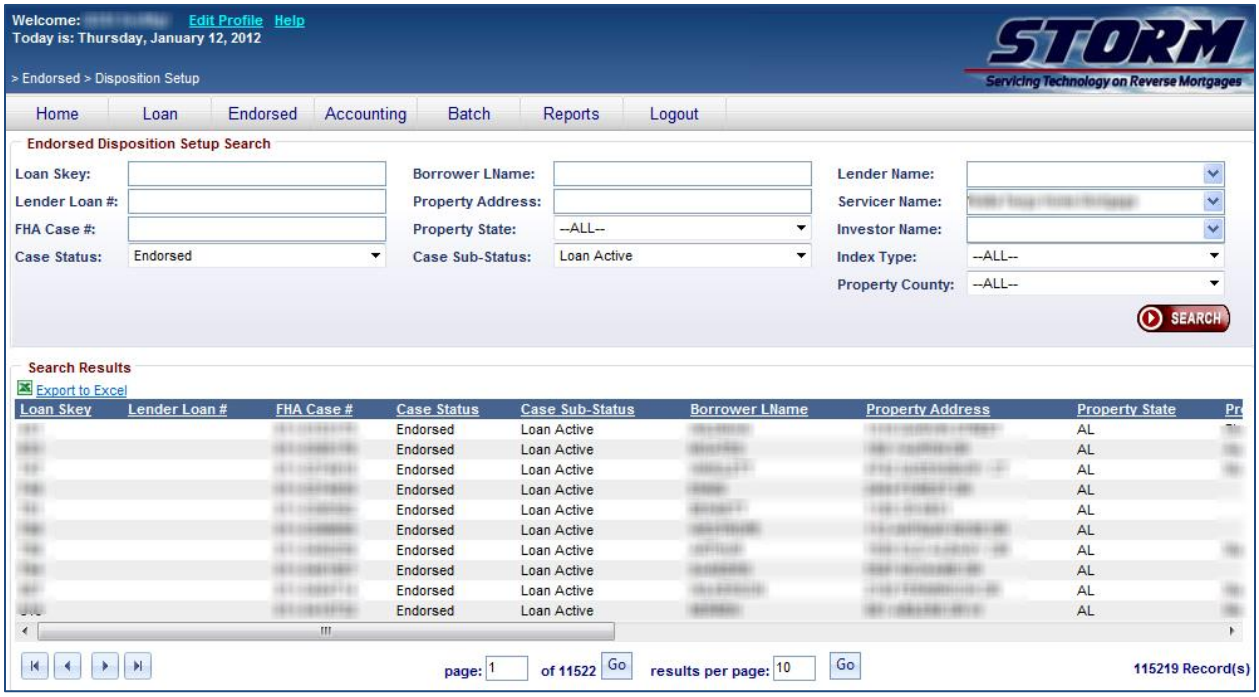

Figure 7-52: Setup Search - Endorsed Short Sale

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

Step 4. From 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 the timeline.

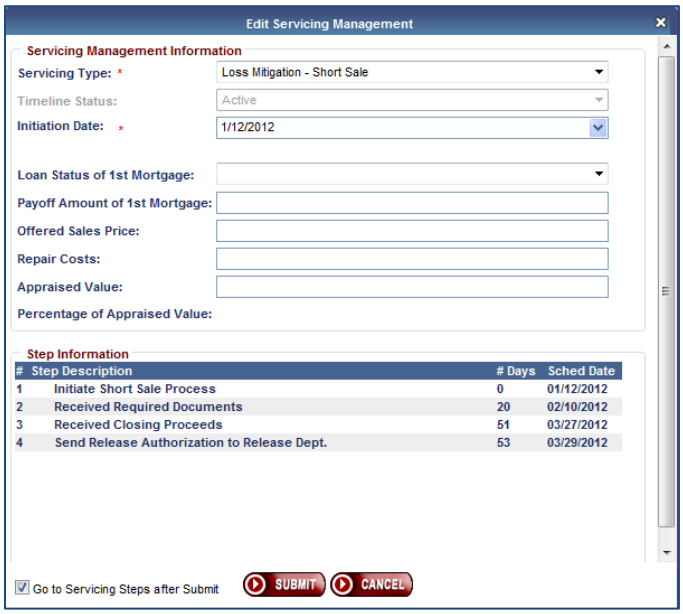

Figure 7-53: Edit Servicing Management – Endorsed Short Sale

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 Disposition Setup Search** screen will be displayed).

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

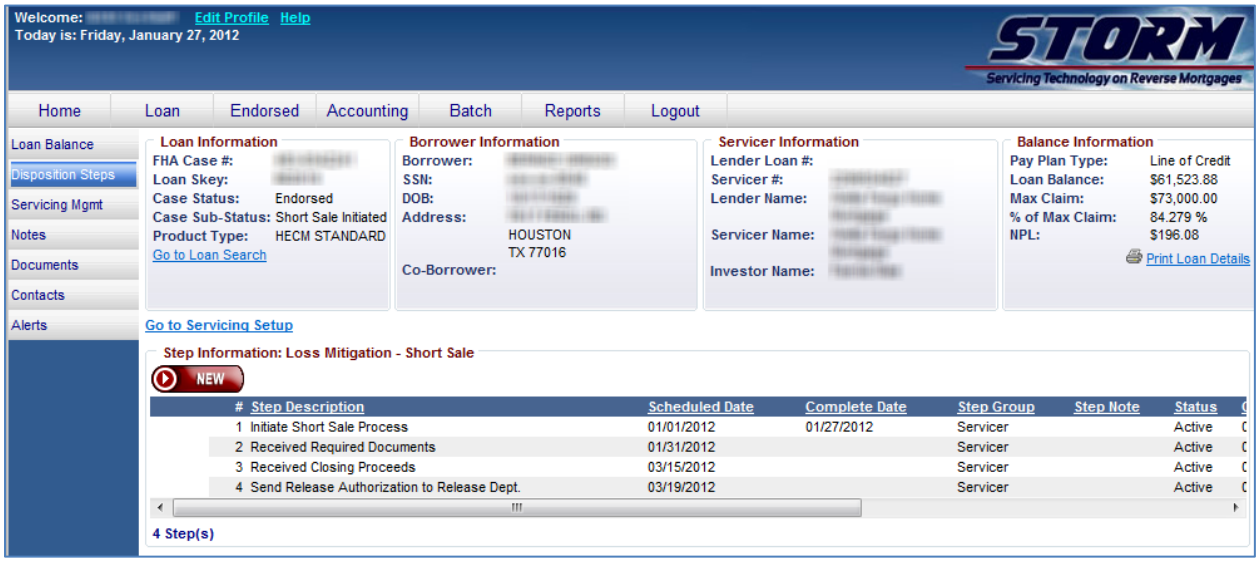

Figure 7-54: Timeline Steps – Endorsed Short Sale

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 activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: R**eceived Required Documents**).

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

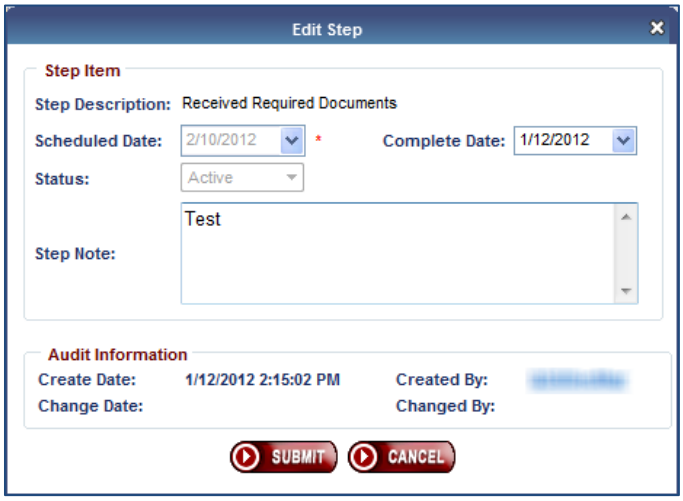

Figure 7-55: Edit Step – Endorsed Short Sale

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

Step 12. To add an optional step, click **New.**

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

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

7.2.2.5 Loss Mitigation – Pre-Foreclosure

If the mortgagor's loan becomes due and payable, a servicer initiates this timeline to track the pre-foreclosure activities. 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 contract information. Once the timeline is inactivated, none of the steps can be edited.

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

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

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

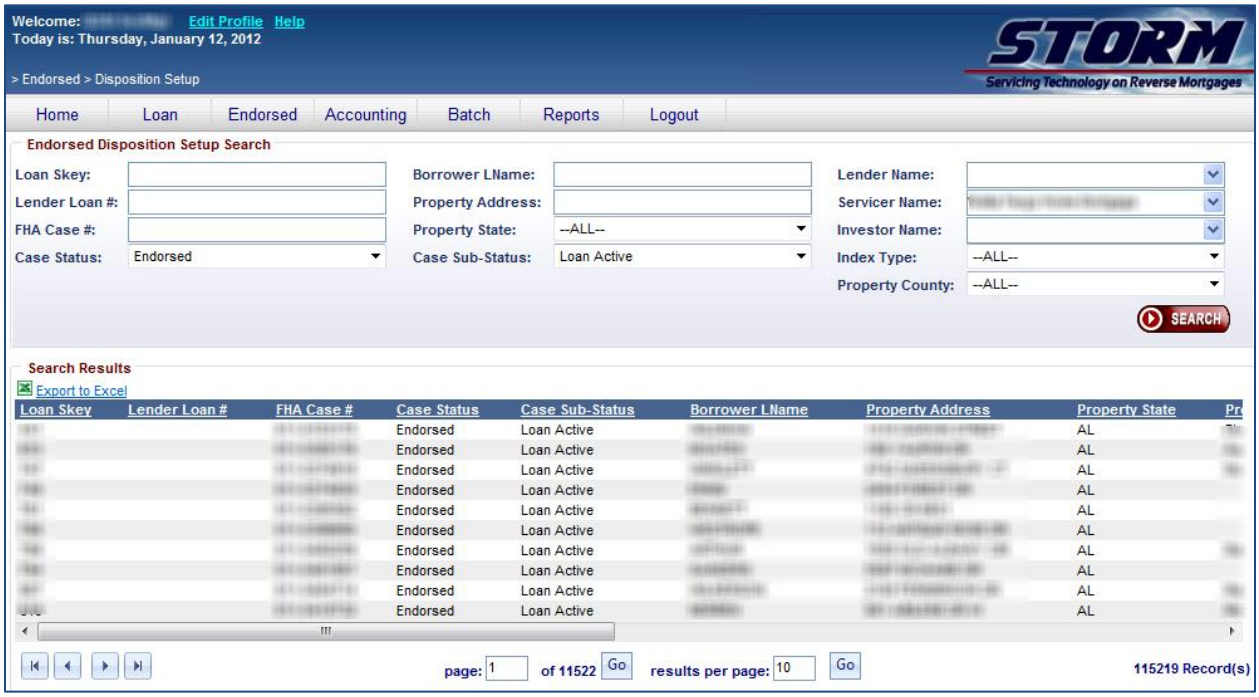

Figure 7-56: Setup Search – Endorsed Pre-Foreclosure

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

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

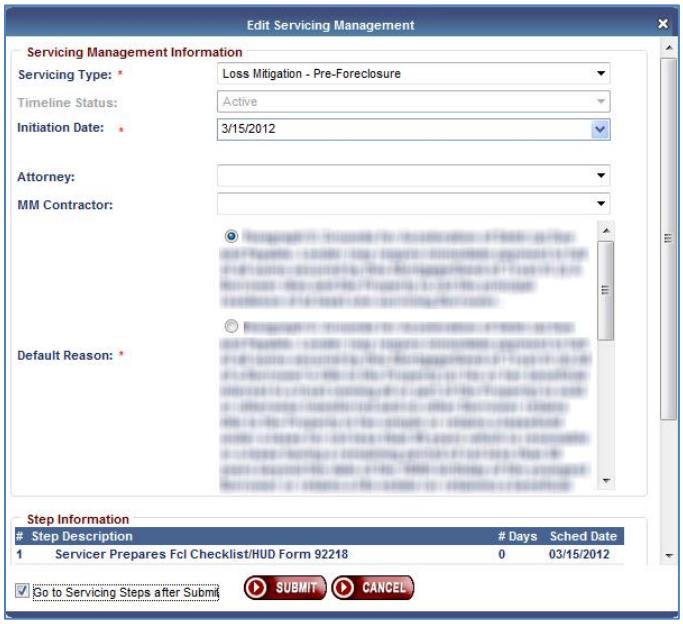

Figure 7-57: Edit Servicing Management – Endorsed Pre-Foreclosure

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 Disposition Setup Search** screen will be displayed).

Step 7. The **Disposition Steps** screen for **Loss Mitigation – Pre-Foreclosure** timeline is displayed.

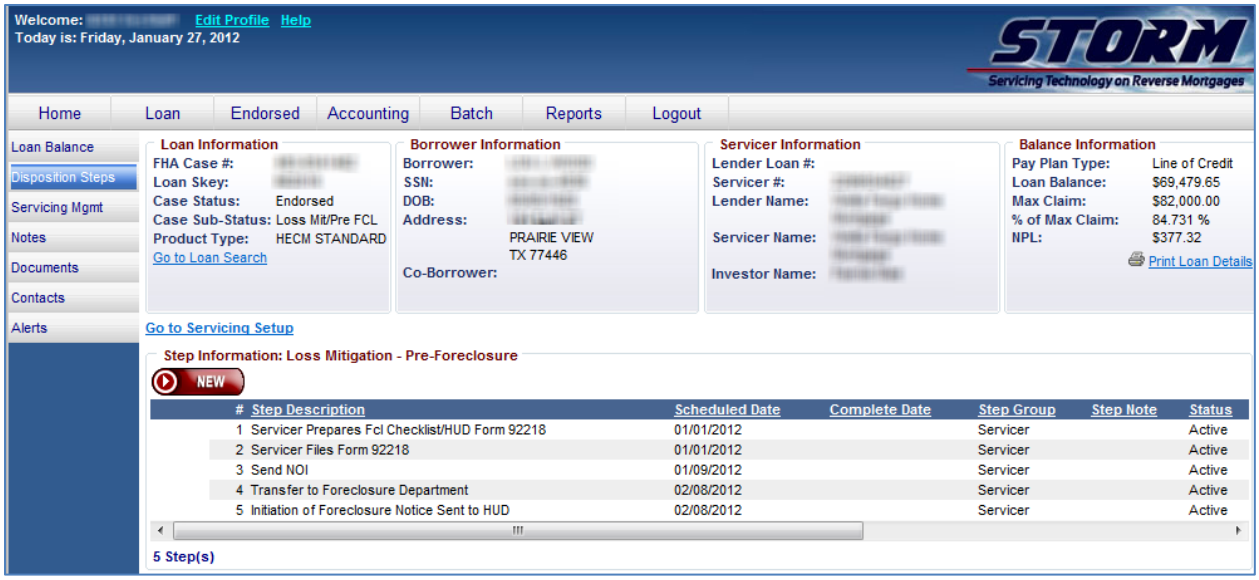

Figure 7-58: Timeline Steps – Endorsed Pre-Foreclosure

Step 8. 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: **Servicer Prepares Fcl Checklist/HUD Form**).

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 **Servicer Prepares Fcl Checklist/HUD Form** on the **Disposition Steps** screen.

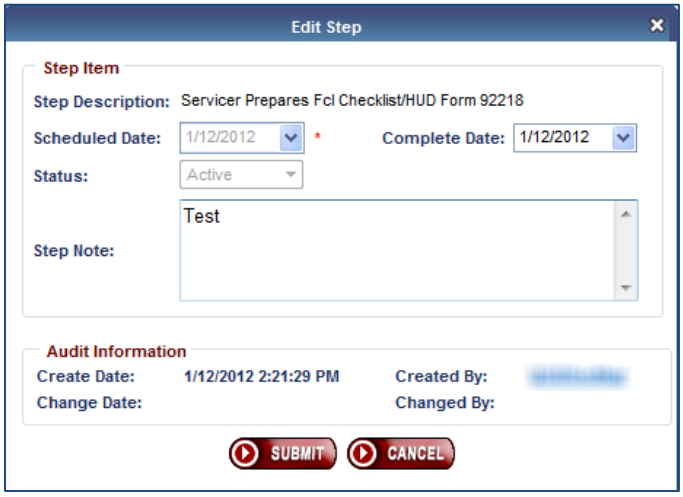

Figure 7-59: Edit Step – Endorsed Pre-Foreclosure

Step 11. Repeat the steps above to complete the other remaining steps.

Step 12. To add an optional step, click **New.**

Step 13. 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.

Step 14. 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.

7.2.3 Request Timelines

7.2.3.1 Payoff Request

A servicer initiates this timeline to track the payoff request from the mortgagor to payoff his or her outstanding loan balance on a HECM loan. Upon the full payoff of the outstanding loan balance, a loan is terminated.

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

To initiate and complete the **Payoff Request** timeline:

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

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

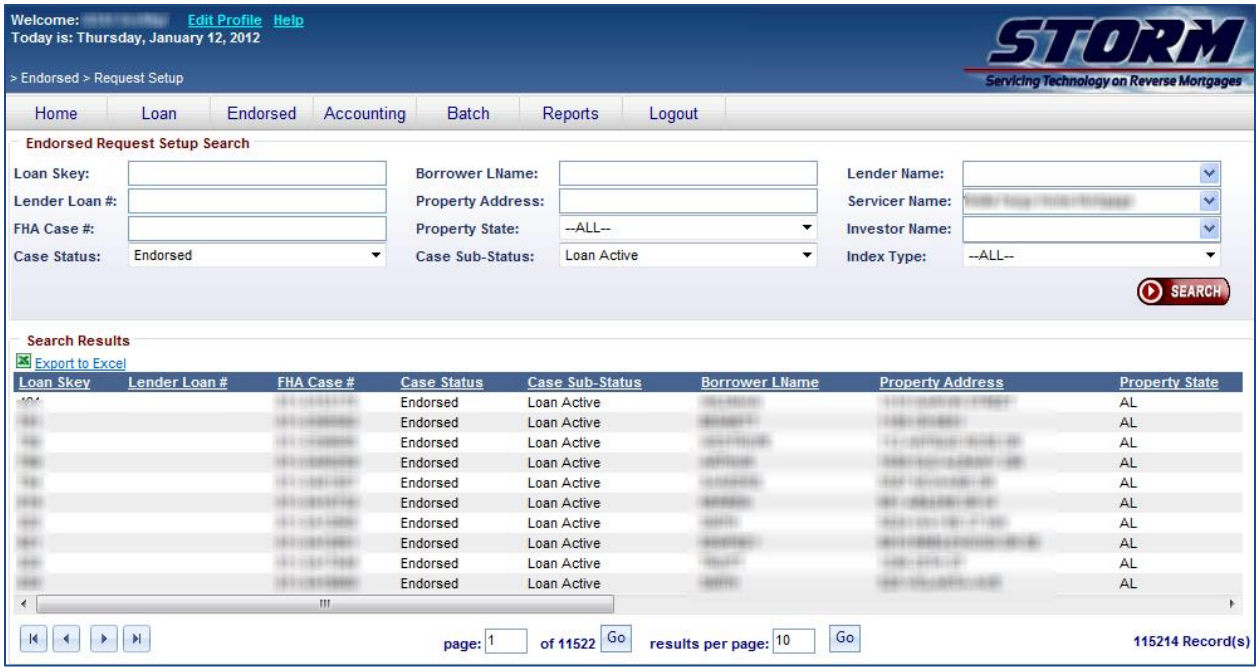

Figure 7-60: Setup Search – Endorsed Payoff Request

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

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

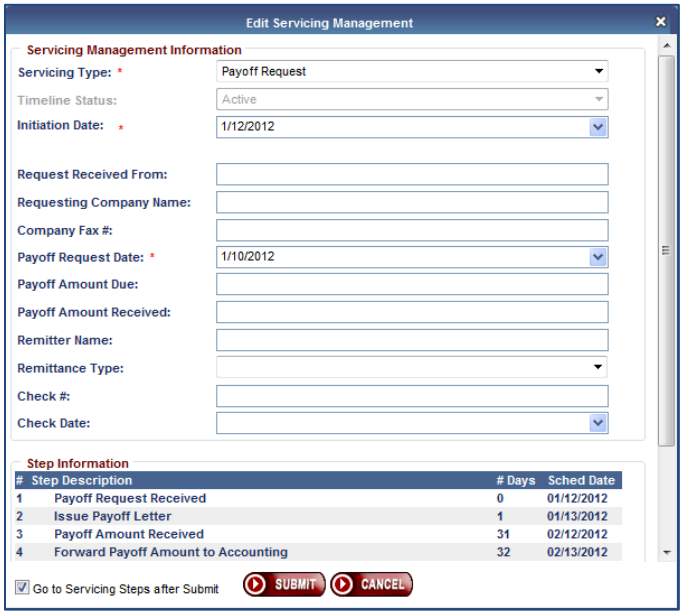

Figure 7-61: Edit Servicing Management – Endorsed Payoff Request

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 Compliance Setup Search** screen is displayed).

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

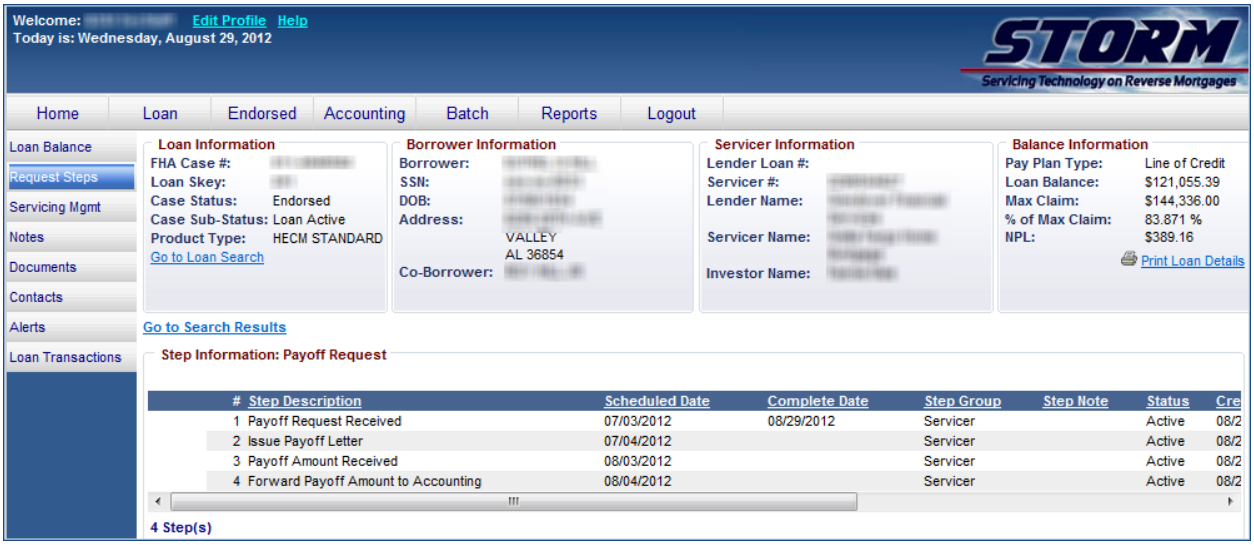

Figure 7-62: Timeline Steps – Endorsed Payoff

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

Step 9. 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: **Issue Payoff Letter**).

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

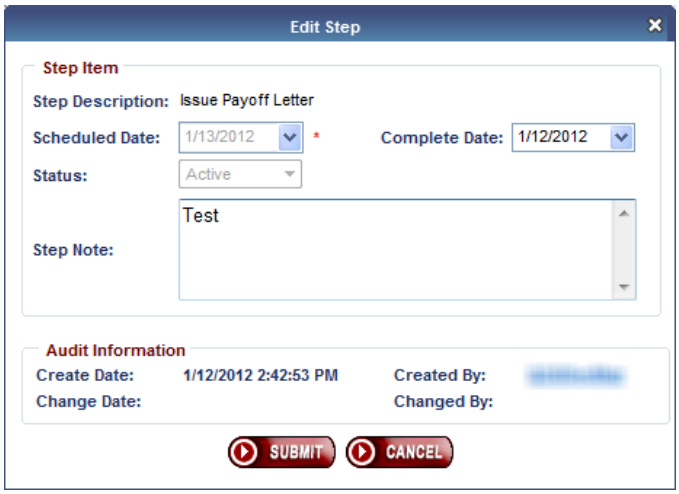

Figure 7-63: Edit Step – Endorsed Payoff

Step 11. The completion date is populated beside the step **Issue Payoff Letter** on the **Requests Steps** screen.

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

7.2.4 Foreclosure Timeline

The Servicer initiates this timeline to track the foreclosure process. The proceeds of the sale are issued to repay the debt. Upon initiation of this timeline, the case sub-status is updated to Foreclosure-Endorsed. 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 and edit the foreclosure information. Once a timeline is inactivated, none of the steps can be edited.

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

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

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

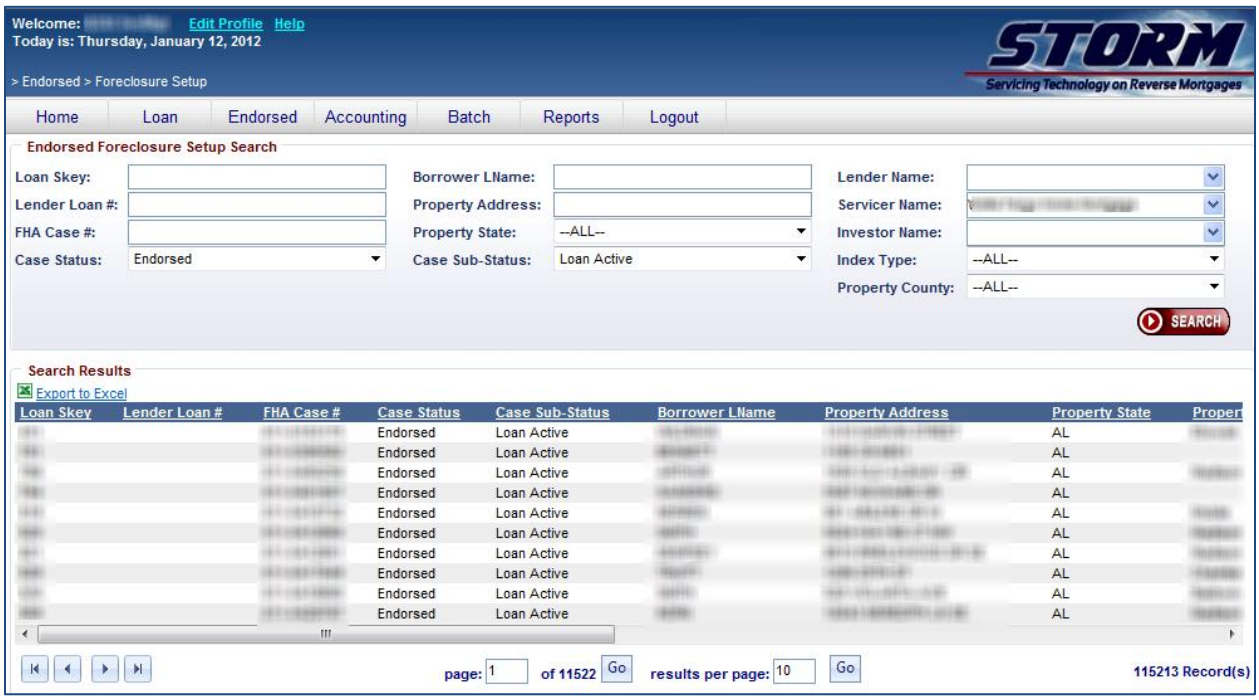

Figure 7-64: Setup Search – Endorsed Foreclosure

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).

Figure 7-65: : Edit Servicing Management – Endorsed Foreclosure

Step 5. Click **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 Foreclosure Setup Search** screen is displayed).

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

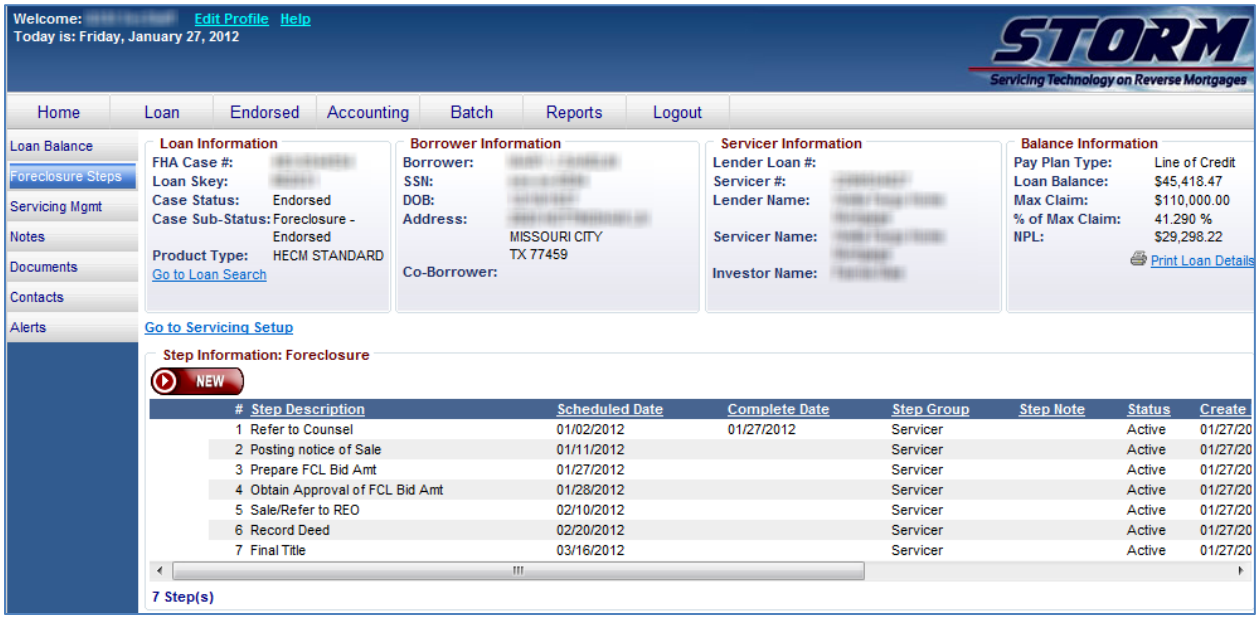

Figure 7-66: Timeline Steps – Endorsed Foreclosure

Step 8. The step **Refer to Counsel** completion date is pre-populated with the timeline created date.

Step 9. 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: **Notice of Default**).

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

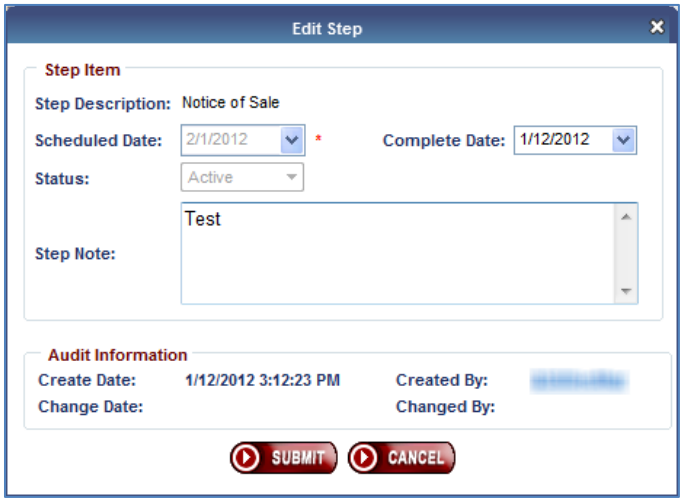

Figure 7-67: Edit Step – Endorsed Foreclosure

Step 11. The completion date is populated beside the step **Notice of Default** on the **Foreclosure Steps** screen.

Step 12. To add an optional step, click **New.**

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

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

7.2.5 Bankruptcy Timelines

7.2.5.1 Bankruptcy - Chapter 7

This timeline is manually initiated by a servicer to track a Chapter 7 bankruptcy event. A Chapter 7 bankruptcy releases the mortgagor from unsecured liabilities and retains their secured debt. 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 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 **Endorsed** menu, select **Bankruptcy** and click **Setup**.

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

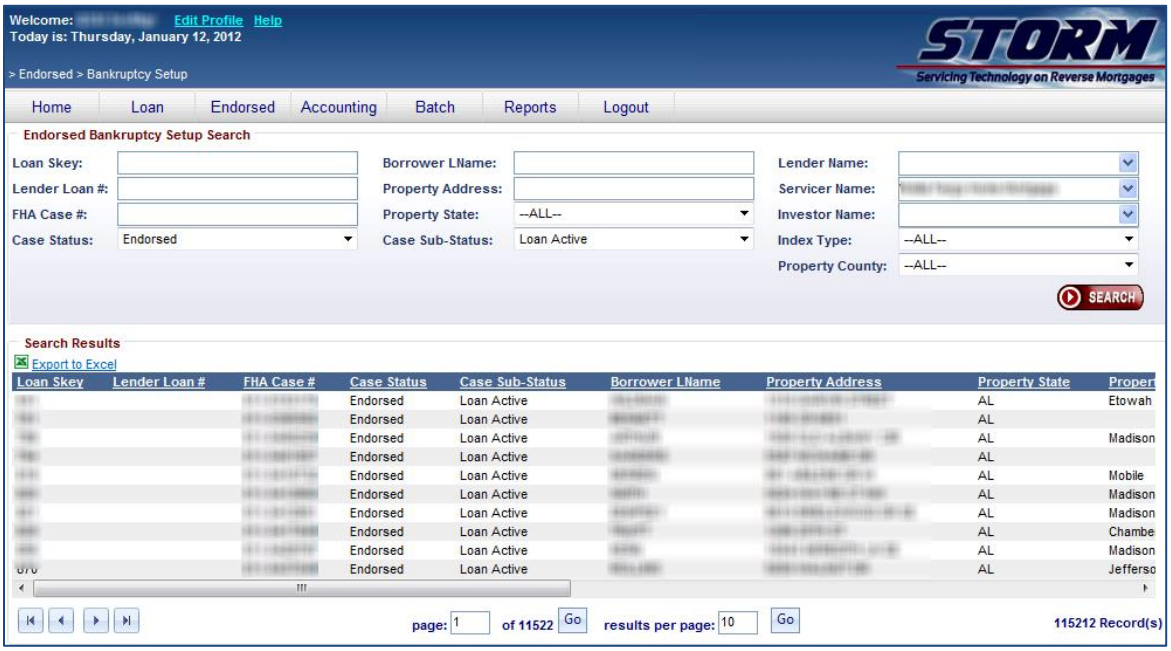

Figure 7-68: Setup Search – Endorsed Bankruptcy Chapter 7

Step 3. From the search results, select 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).

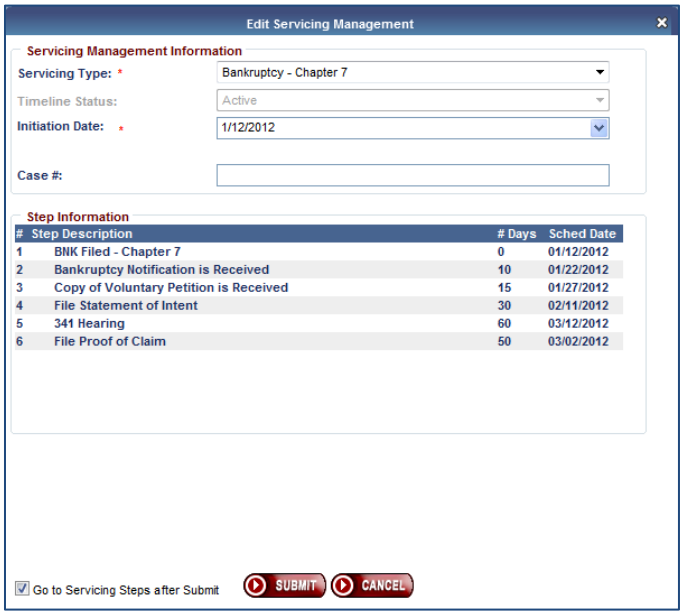

Figure 7-69: Edit Servicing Management - Endorsed Bankruptcy Chapter 7

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 Bankruptcy Setup Search** Screen will be displayed).

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

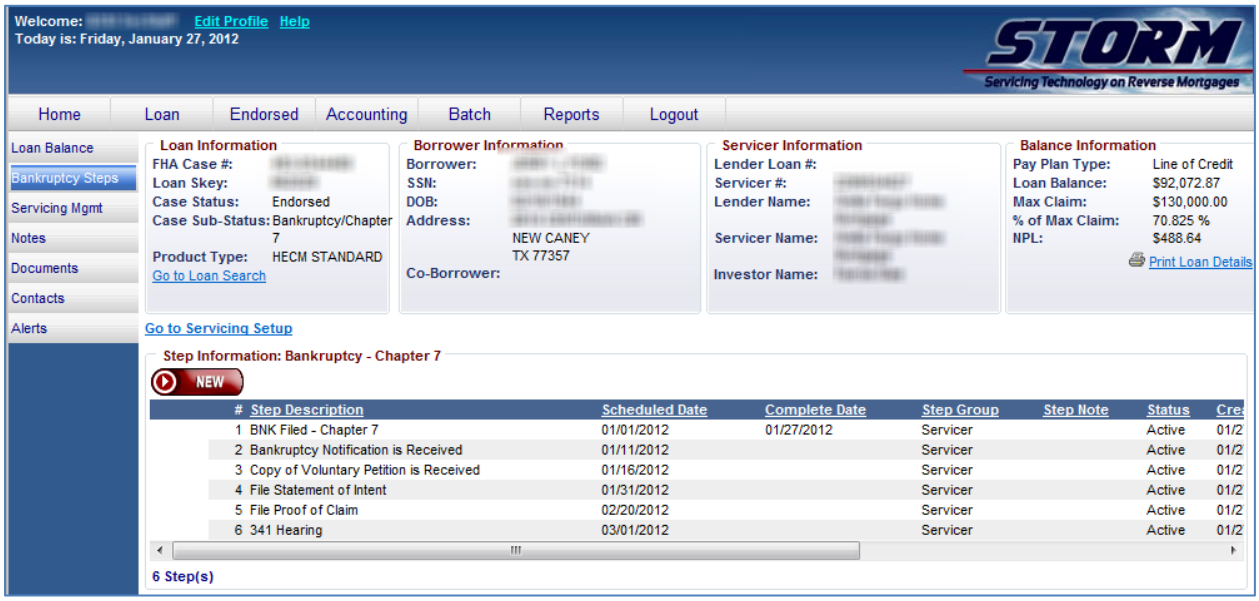

Figure 7-70: Timeline Steps – Endorsed Bankruptcy Chapter 7

Step 8. The first step, **BNK Filed – Chapter 7,** completion date is pre-populated with the timeline created date.

Step 9. To complete any step in the timeline, click the step. (For example: **Bankruptcy Notification is Received**).

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

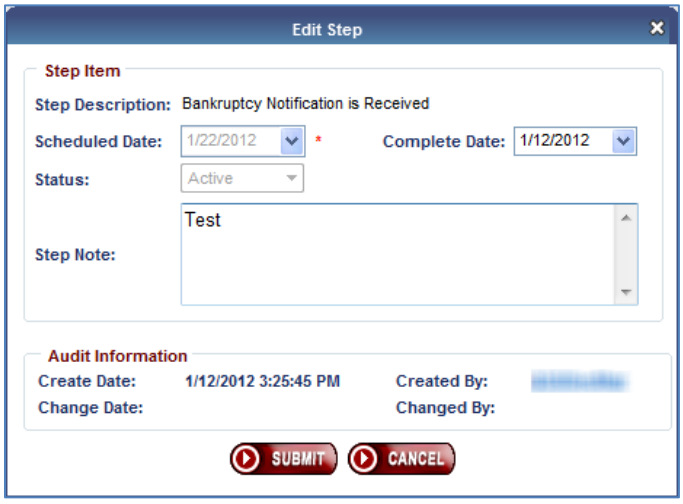

Figure 7-71: Edit Step – Endorsed Bankruptcy Chapter 7

Step 11. The completion date is populated beside the step **Bankruptcy Notification is Received** on the **Bankruptcy Steps** screen.

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

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

Step 14. 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.

Step 15. 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 16. Repeat the steps above to add and the additional optional steps.

7.2.5.2 Bankruptcy - Chapter 13

This timeline is manually initiated by Servicer 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. Upon initiation of this timeline, the case sub-status is updated to Bankruptcy/Chapter 13.

Multiple active Bankruptcy – Chapter 13 timelines cannot be initiated on a loan. The Servicing Management tab can be used to 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 **Endorsed** menu, select **Bankruptcy**, and click **Setup**.

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

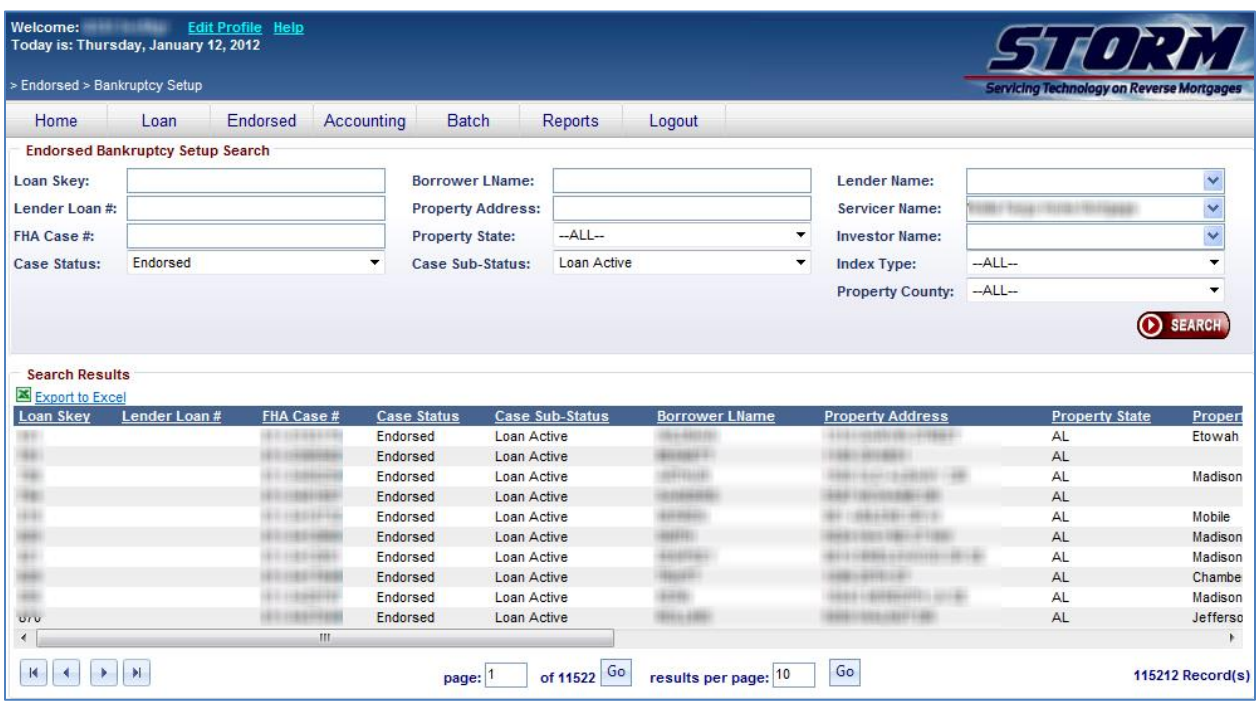

Figure 7-72: Setup Search – Endorsed Bankruptcy Chapter 13

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

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).

Figure 7-73: Edit Servicing Management - Endorsed Bankruptcy Chapter 13

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 Bankruptcy Setup Search** screen will be displayed).

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

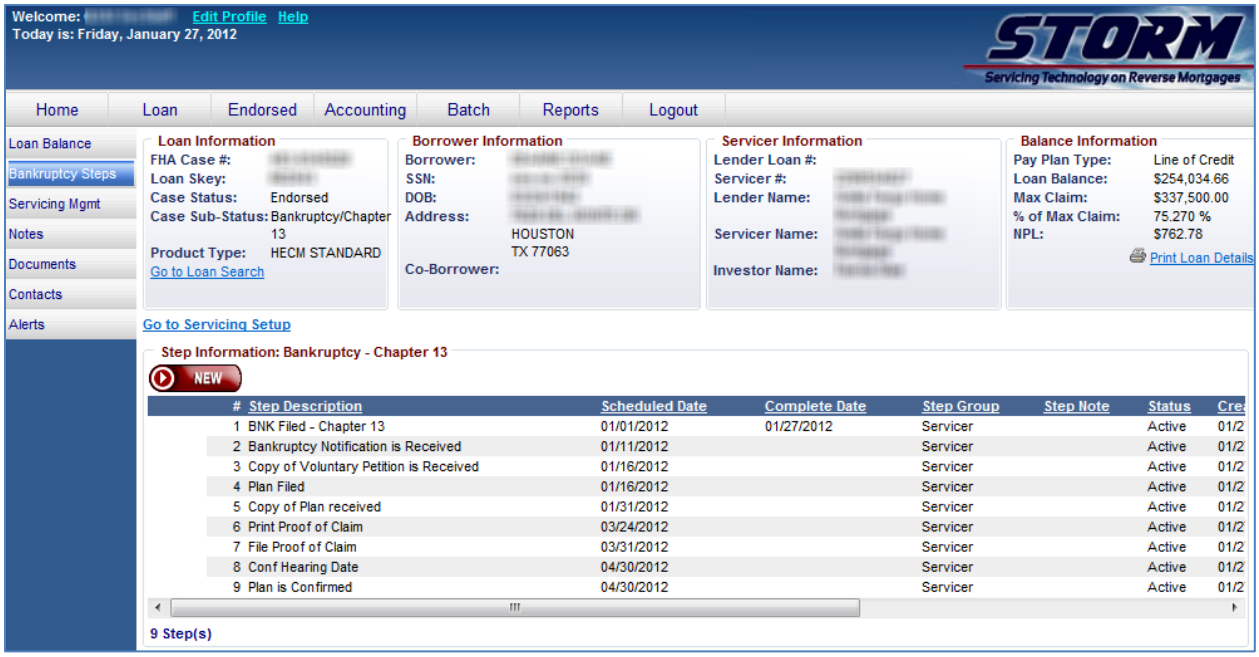

Figure 7-74: Timeline Steps – Endorsed Bankruptcy Chapter 13

Step 8. The first step, **BNK Filed – Chapter 13,** completion date is pre-populated with the timeline created date.

Step 9. To complete any step in the timeline, click the step. (For example: **Bankruptcy Notification is received**).

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

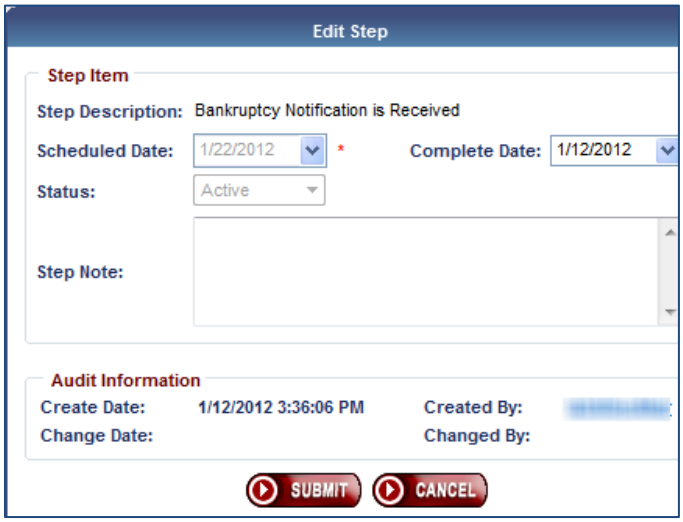

Figure 7-75: Edit Step – Endorsed Bankruptcy Chapter 13

Step 11. The completion date is populated beside step **Bankruptcy Notification is received** on the **Bankruptcy Steps** screen.

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

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

Step 14. 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.

Step 15. 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 16. Repeat the steps above to add and the additional optional steps.

7.3 Endorsed Timelines (Servicers and HUD NSC Interaction)

These timelines require interaction between servicers and HUD.

7.3.1 Request Timelines

7.3.1.1 Certificate of Indebtedness

A HUD NSC Contractor initiates the Certificate of Indebtedness (COI) timeline when a request is received to show the loan balance or the total debt on HUD's second mortgage. This timeline is initiated and completed by the HUD NSC Contractor and does not require servicer 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 Endorsed menu, select **Request**, and click **Setup**.

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

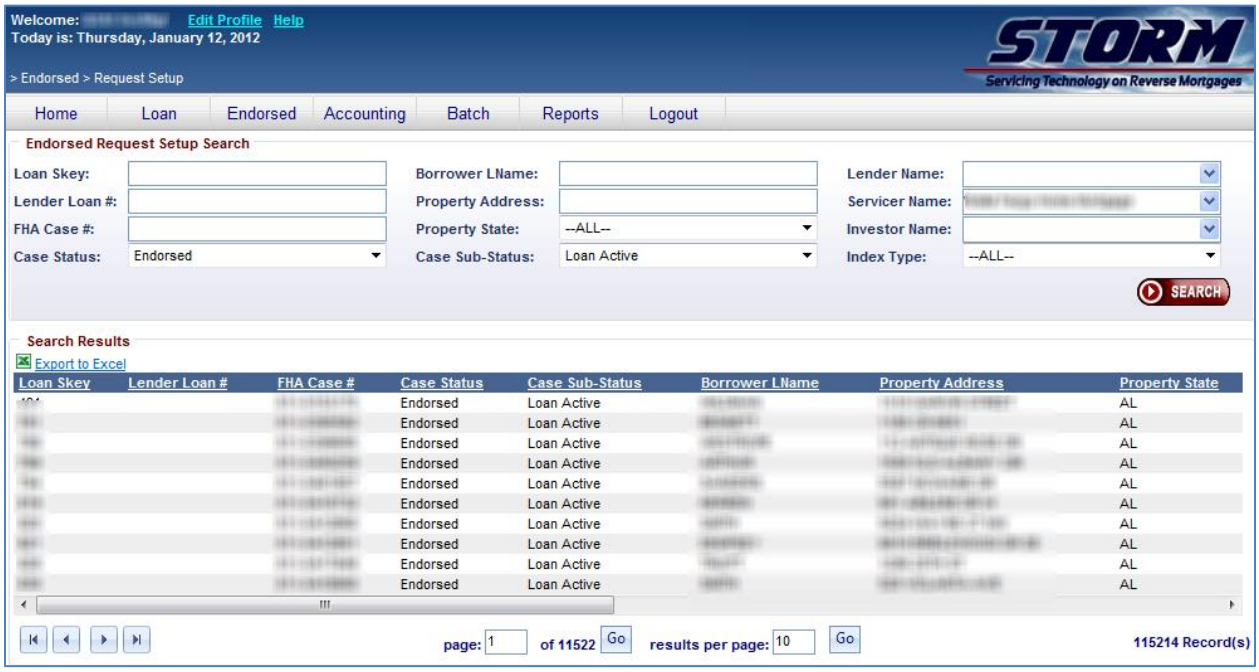

Figure 7-76: Setup Search – Endorsed Certificate of Indebtedness

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

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

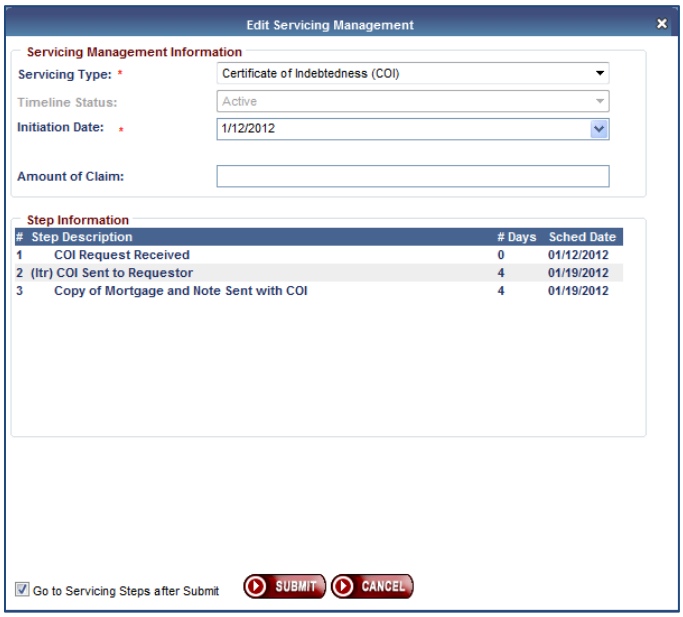

Figure 7-77: Edit Servicing Management – Endorsed Certificate of Indebtedness

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 **Endorsed Request Setup Search** Screen will be displayed).

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

Figure 7-78: Timeline Steps – Endorsed Certificate of Indebtedness

Step 8. To complete any step in the timeline, click the step, for example, step **COI Request 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 **COI Request Received** on the **Request Steps** screen.

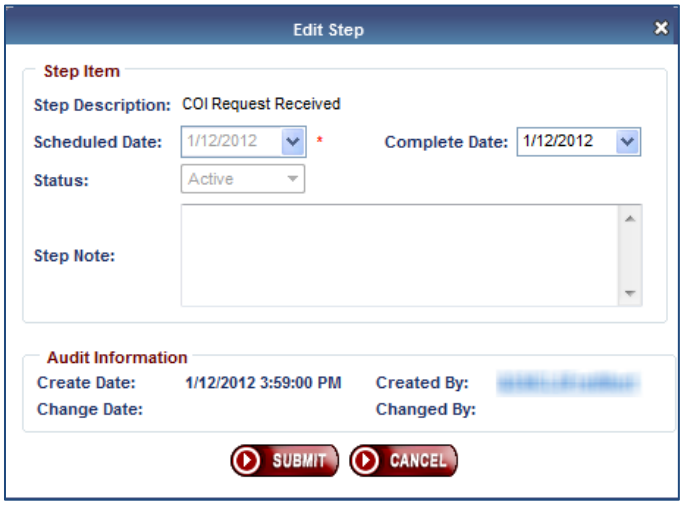

Figure 7-79: Edit Step Window – Endorsed Certificate of Indebtedness

Step 11. To generate the **Certificate of Indebtedness Letter**, click the **magnifying glass** beside COI Sent to Requestor; the Certificate of Indebtedness 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 Certificate of Indebtedness Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

7.3.1.2 Consent of Lienholder

This timeline is initiated when the mortgagee receives a request from the mortgagor to consent to an action that would affect the mortgagee's interest in the property. With this timeline, the mortgagee submits their decision to HUD, who holds a second mortgage on the property. When consent is required from all lien holders, a servicer initiates this timeline. The request is reviewed and a recommendation is made by a HUD NSC Contractor to HUD. HUD reviews the recommendation and the submitted documents, and makes a decision. This timeline requires Servicer, HUD NSC Contractor and HUD interactions.

Multiple active Consent of Lienholder 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 **Consent of Lienholder** timeline:

7.3.1.2.1 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**.

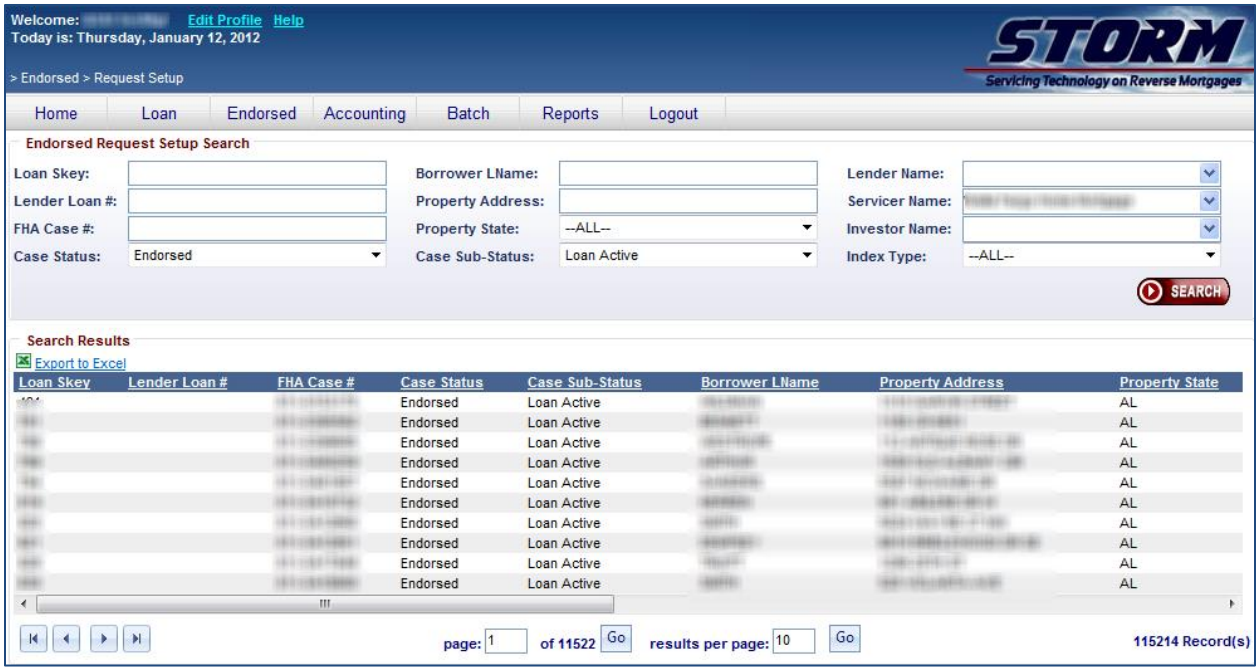

Figure 7-80: Setup Search – Endorsed Consent of Lienholder

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

Step 4. On the **Edit Servicing Management** window, select Consent of Lien Holder from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

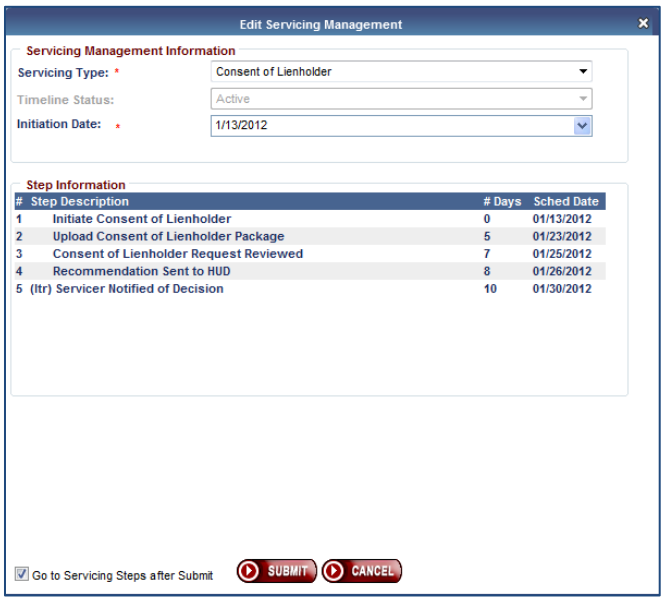

Figure 7-81: Edit Servicing Management – Endorsed Consent of Lienholder

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 **Endorsed Request Setup Search** screen is displayed).

Step 7. The **Request Steps** screen for **Consent of Lienholder** timeline is displayed.

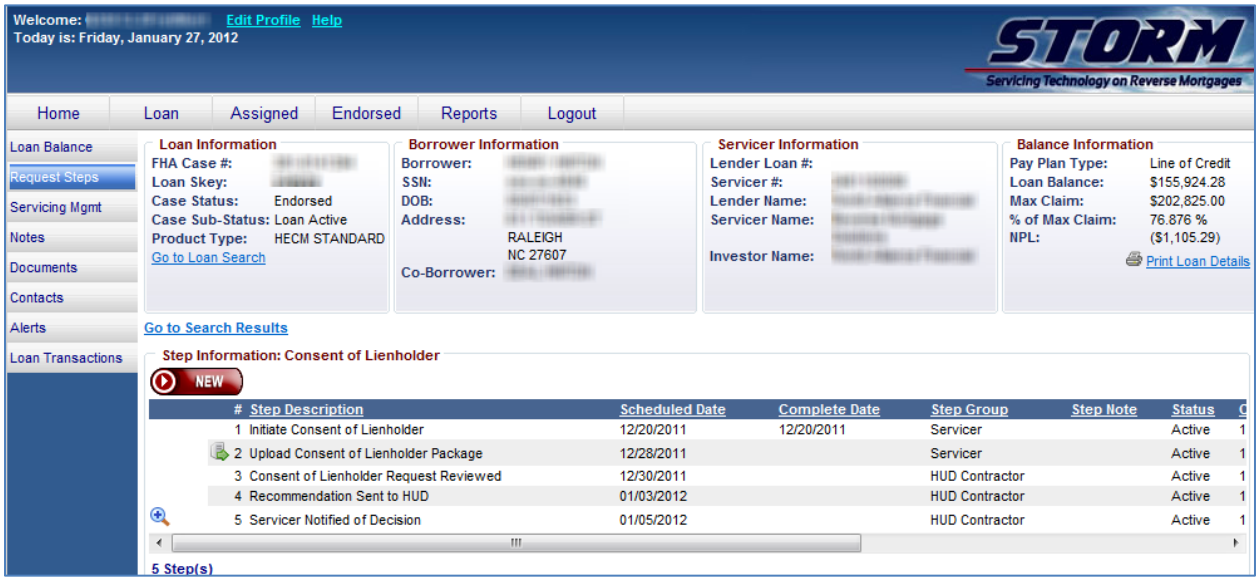

Figure 7-82: Timeline Steps – Endorsed Consent of Lienholder

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

Step 9. For the step **Upload Consent of Lienholder Package,** the Complete Date is pre-populated with current system date. For this step, a servicer must upload the Consent of Lienholder 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. A PDF icon is added next to the step. Select this icon to view the attached document. This document is also auto-saved in the Documents tab.

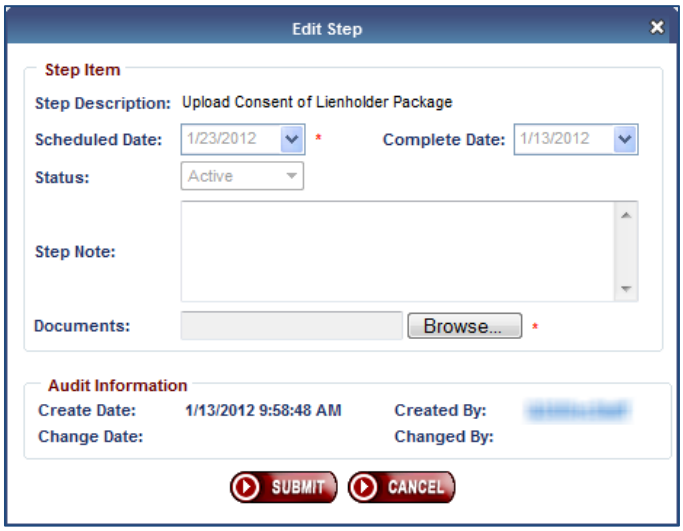

Figure 7-83: Edit Step – Endorsed Consent of Lienholder

7.3.1.2.2 HUD NSC Contractor and HUD NSC Staff Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Consent of Lienholder Package review, a HUD NSC Contractor will complete the step **Consent of Lienholder Request Reviewed**. 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 adds the respective optional step.

Step 3. To add an optional step (Contractor Recommendation – Approved, Contractor Recommendation - Denied, or Contractor Recommendation – Pending Additional Info), click **New.**

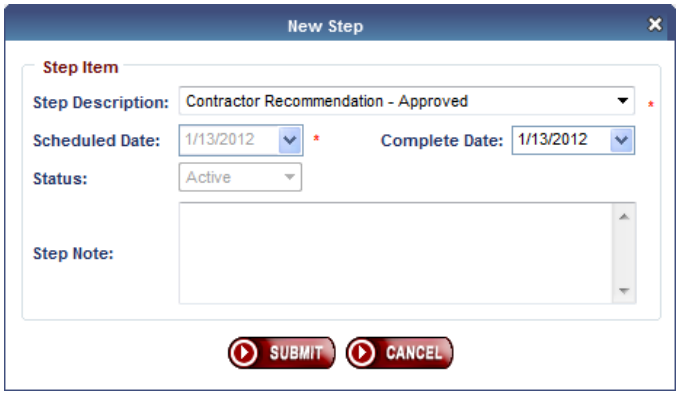

Figure 7-84: New Step – Endorsed Consent of Lienholder

Step 4. Select an optional step from the **Step Description** dropdown (contractor Recommendation – Approved, contractor Recommendation - Denied, or contractor Recommendation – Pending Additional Info) that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps.

Step 5. The HUD NSC Contractor completes the step **Recommendation Sent to HUD** to let HUD know their recommendation. 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**.

HUD NSC staff must perform the following steps:

Step 6. The HUD NSC staff reviews the HUD NSC Contractor recommendation and makes a decision.

Step 7. Once a decision has been made about whether to approve, deny or request additional information. The HUD NSC staff adds the respective optional step.

Step 8. To add an optional step (HUD Decision – Approved, HUD Decision - Denied, or HUD Decision – Pending Additional Info), click **New**.

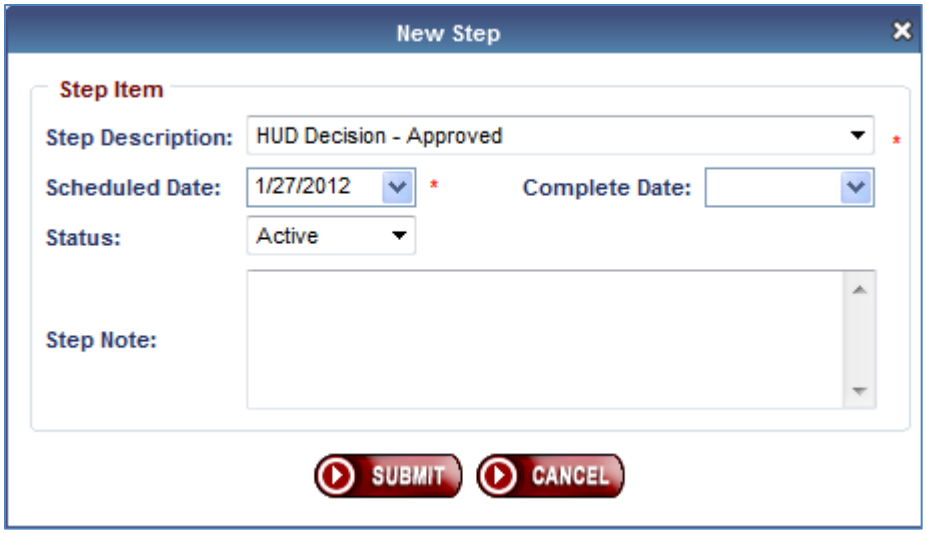

Figure 7-85: New Step – Endorsed Consent of Lienholder

Step 9. Select an optional step from the **Step Description** dropdown (HUD Decision–Approved, HUD Decision - Denied, or HUD Decision – Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

- If the HUD NSC staff requested additional information, servicer must submit additional information for continuation of this timeline (refer to above steps for the review cycle).
- If the servicer does not submit the required documents within 45 days from the initial decision, then HUD NSC Contractor will add the optional step **Follow Up on Pending Information**.

HUD NSC Contractor must perform the following steps:

Step 10. The HUD NSC Contractor will generate the Consent of Lienholder decision letter.

Step 11. To generate the Consent of Lienholder Decision Letter, click the **magnifying glass** beside Servicer Notified of Decision. The Consent of Lienholder Decision letter is displayed with options to preview or print the document. The letter displays the HUD decision.

Step 12. Update the letter (if pending additional information) and select the **Preview Document** link to view the updated document. To auto-save the changes made to the document, click the **Print Document** link. Click **Open** on the **File Download** window. This saves the **Consent of Lienholder Decision letter** to the **Documents** tab. Refresh the screen to auto complete the step with current system date.

7.3.1.3 Due and Payable w/ HUD Approval

A Due & Payable w/ HUD Approval timeline is initiated by a servicer to notify HUD of a Due and Payable event that requires HUD approval. A servicer initiates the timeline and HUD provides a decision (approve, deny, or request additional information to call the loan due and payable). When the 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.

System will not allow user to initiate a Due & Payable w/ HUD Approval timeline manually, if one or more Non-Borrowing Spouse is active on the loan. The case sub-status is NOT updated to Due and Payable automatically, if one or more Non-Borrowing Spouse are active on the loan.

HUD approval is required for the following default reasons:

- Occupancy compliance
- Repairs and upkeep
- Residency
- Unpaid insurance
- Unpaid taxes
- Unpaid taxes and unpaid insurance
- Multiple active Due & Payable w/ HUD Approval timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the default date and default reason. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Due and Payable w/ HUD Approval** timeline:

7.3.1.3.1 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.**

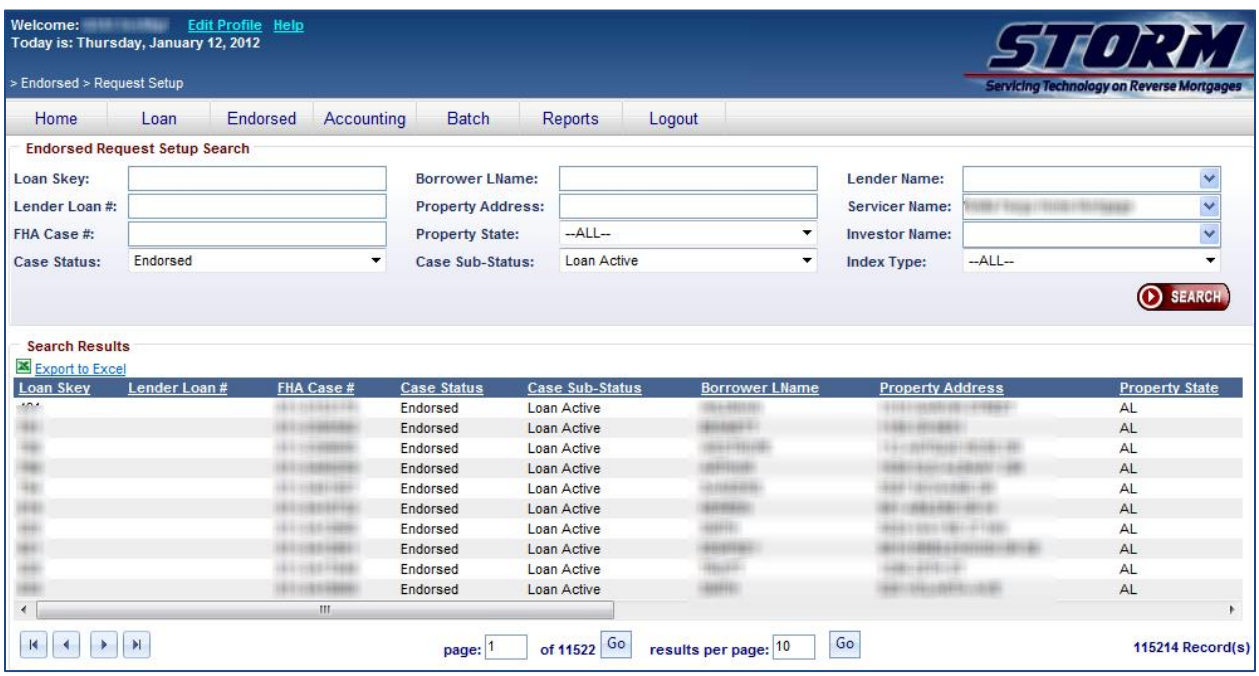

Figure 7-86: Setup Search – Endorsed Due and Payable w/ HUD Approval

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

Step 4. On the **Edit Servicing Management** Screen, select Due & Payable w/ HUD Approval from the **Servicing Type** dropdown and populate the required fields (marked with

an asterisk). Note: The default date and reason can be edited on the Servicing Management tab after the initiation of timeline.

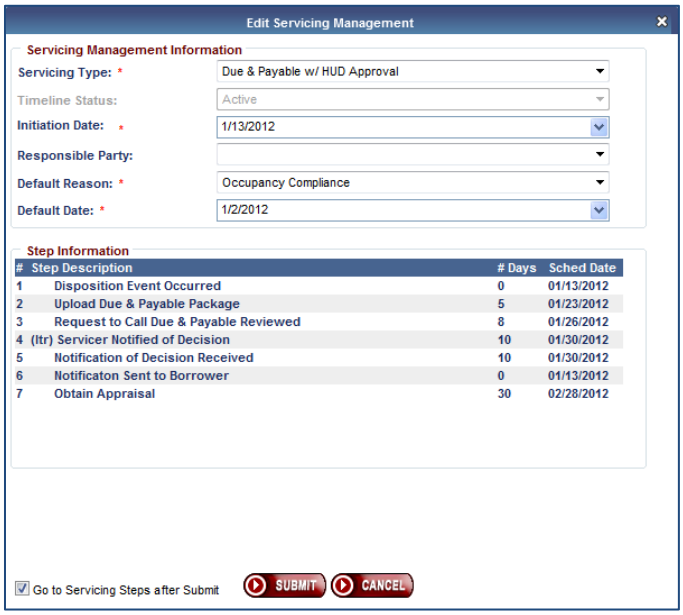

Figure 7-87: Edit Servicing Management Screen - Endorsed Due and Payable

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 **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for **Due & Payable w/ HUD Approval** timeline is displayed.

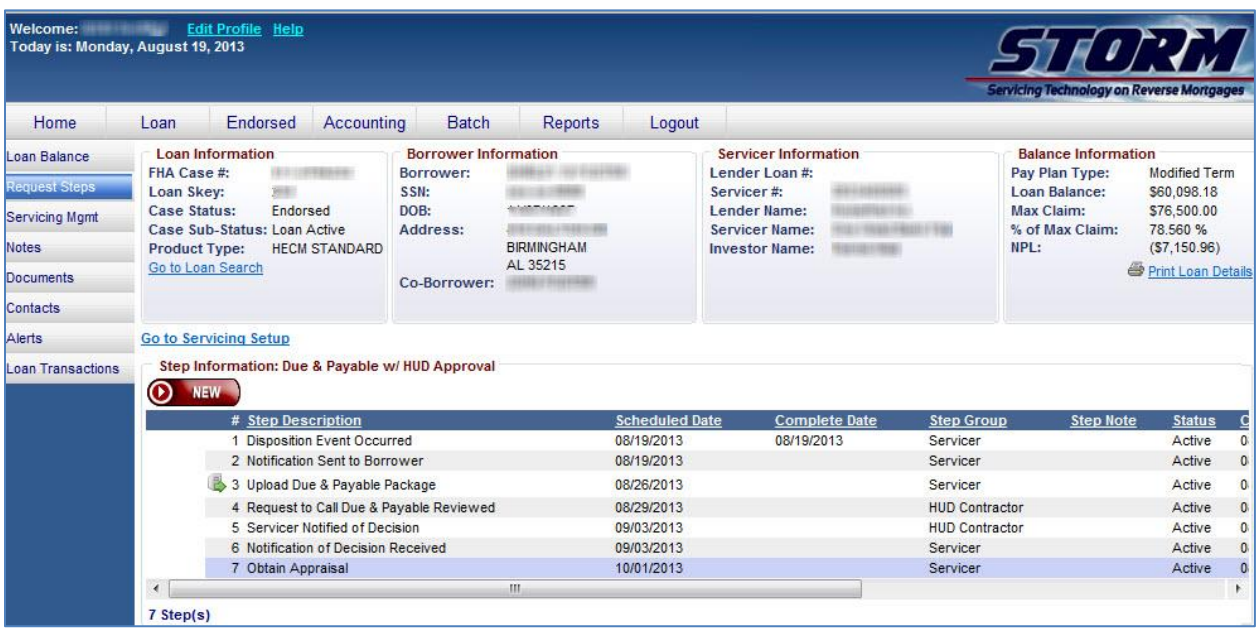

Figure 7-88: Timeline Steps – Endorsed Due and Payable w/HUD Approval

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

Step 9. For the step **Upload Due & Payable Package,** the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Due & Payable 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. A PDF icon is added next to the step. Select this icon to view the attached document. This document is also auto-saved in the Documents tab.

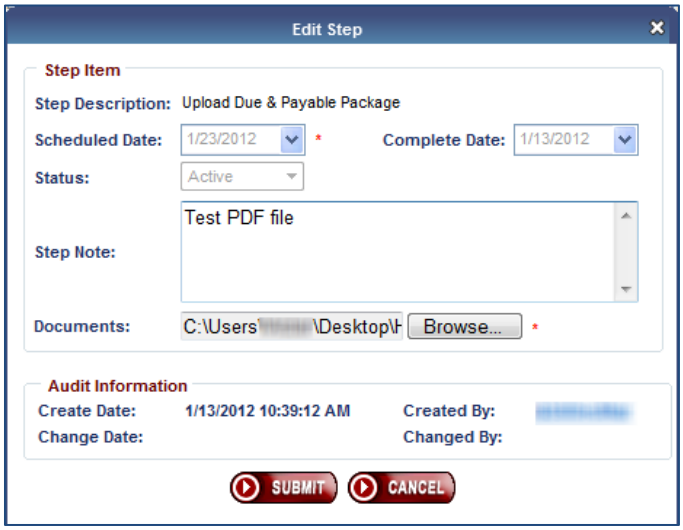

Figure 7-89: Edit Step - Endorsed Due and Payable

7.3.1.3.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Due & Payable package review, a HUD NSC Contractor completes the step **Request to Call Due & Payable Reviewed**. 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 2. Once a decision has been made whether to approve, deny or request additional information. The HUD NSC Contractor adds the respective optional step.

Step 3. To add an optional step (Approved, Denied, or Pending Additional Information), click **New.**

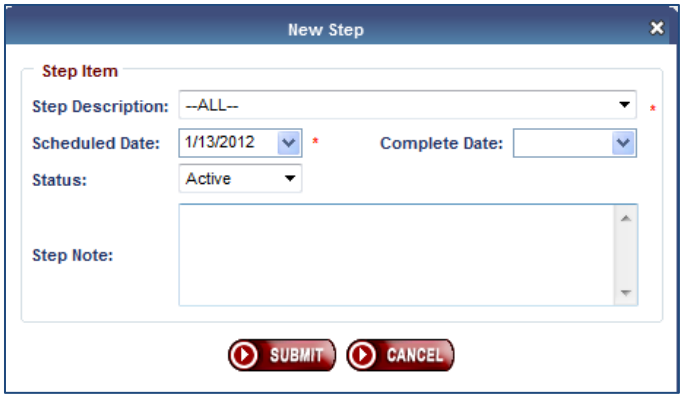

Figure 7-90: New Step – Endorsed Due and Payable

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 window. The step will be added to the list of steps. Upon addition of the timeline step **HUD Decision – Approved**, the case sub-status is updated to **Due & Payable**.

Step 5. To generate the Due and Payable Decision Letter, click the magnifying glass beside Servicer Notified of Decision. The Due and Payable letter is displayed with options to preview or print the document. The letter displays a HUD decision. Update the letter (if pending additional information) and select the Preview Document link to view the updated document. To auto-save the changes made to the document, click the Print Document link. Click Open on the File Download window. This action will save the Due and Payable letter to the Documents tab. Refresh the screen to auto complete the step with current system date.

7.3.1.3.3 Post Due & Payable Timeline – Servicer Activities

The servicer must perform the following steps:

Step 1. Upon receipt of Due and Payable decision, a servicer will complete the step **Notification of Decision Received**. Upon notification sent to Borrower, complete the step Notification Sent to Borrower.

Step 2. The servicer will complete the remaining steps based on the completion of activity.

Step 3. The servicer will add optional steps based on the loss mitigation activity negotiated with the mortgagor. To add an option step, click **New**.

Step 4. 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 selected step will be added to the timeline.

Step 5. 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 6. Repeat the above instructions to add and complete other optional steps.

7.3.1.4 Extension – Claim Filing

Mortgagees may request an extension to file the claim due to a pending sale, in which case a Servicer initiates this timeline 15 days before the end of the six-month period from the date the mortgagee acquired the title. Extensions may be approved up to 30 days to allow the sale to proceed. An active Claim Type 21 - DIL/FCL timeline must exist on the loan before the Extension-

Claim Filing timeline can be initiated. Date of Possession and Acquisition of Marketable Title must be populated on Claim Type 21 to determine the expiration date on the Extension-Claim Filing timeline.

Multiple active Extension–Claim Filing timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Claim Filing** timeline:

7.3.1.4.1 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.**

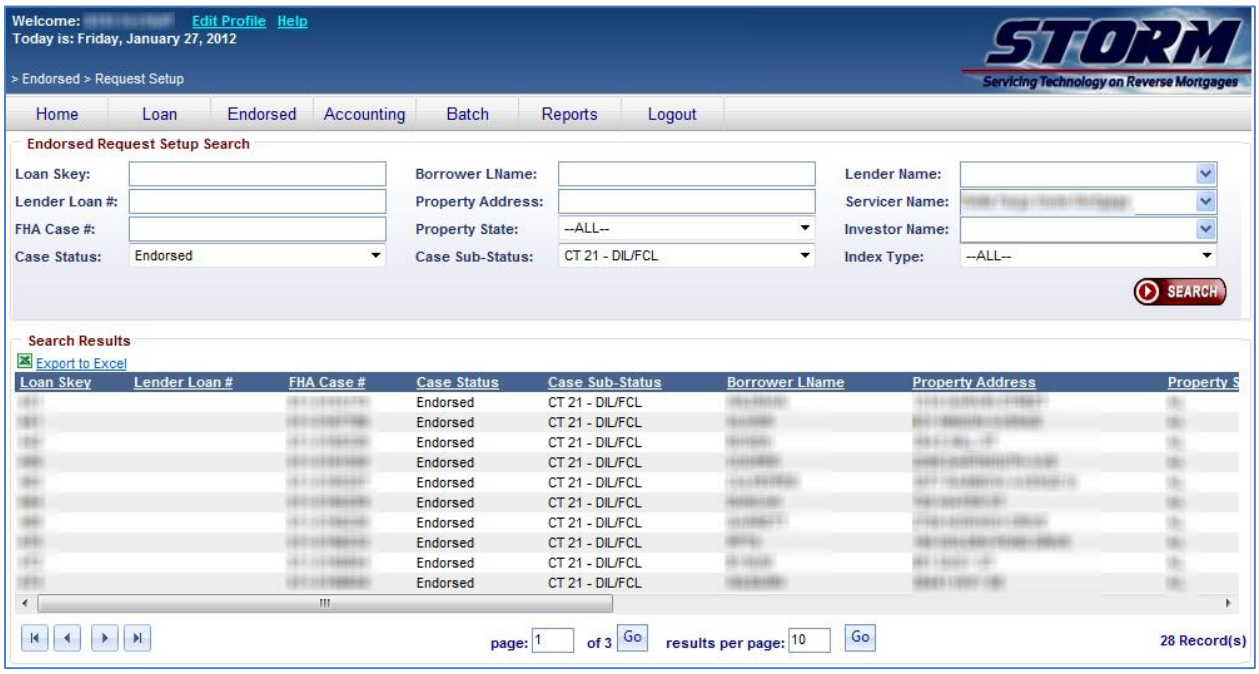

Figure 7-91: Setup Search – Endorsed Claim Filing

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).

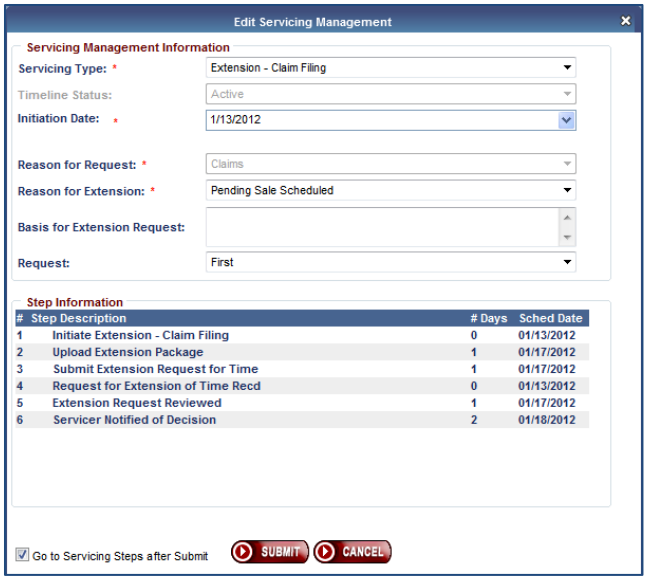

Figure 7-92: Edit Servicing Management Screen – Endorsed Claim Filing

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 **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Extension – Claim Filing** timeline is displayed.

Figure 7-93: Timeline Steps – Endorsed Claim Filing

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

Step 9. For the step **Upload Extension Package, the** completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension 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. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

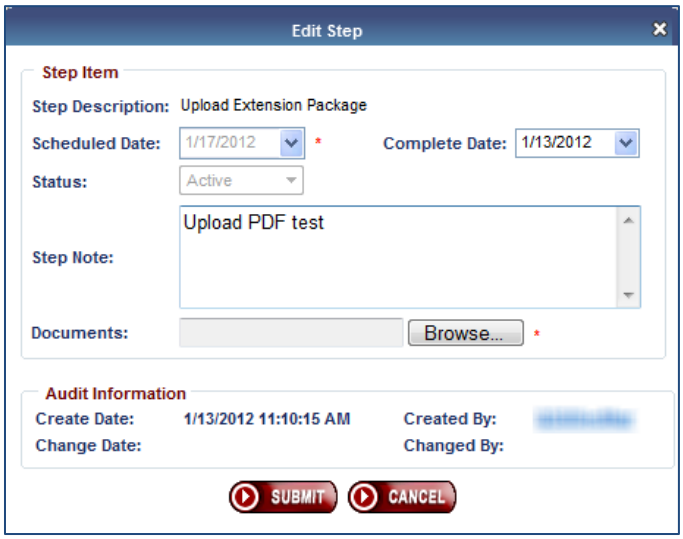

Figure 7-94: Edit Step Window – Endorsed Claim Filing

Step 10. The servicer must complete the step **Submit Extension Request for Time**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

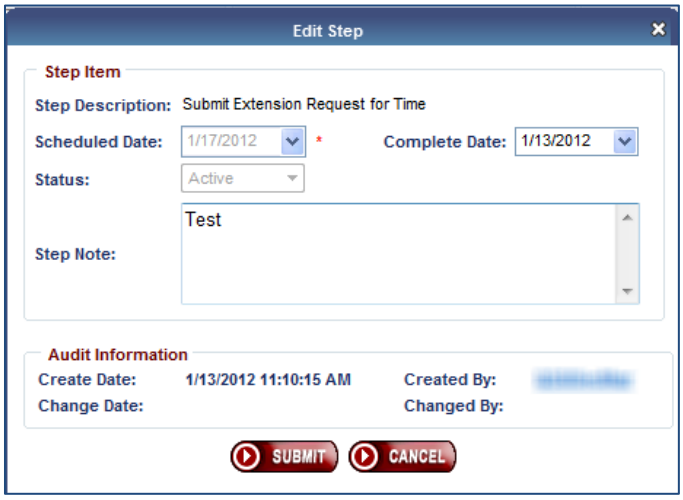

Figure 7-95: Edit Step – Endorsed Claim Filing

7.3.1.4.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. 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. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New**.

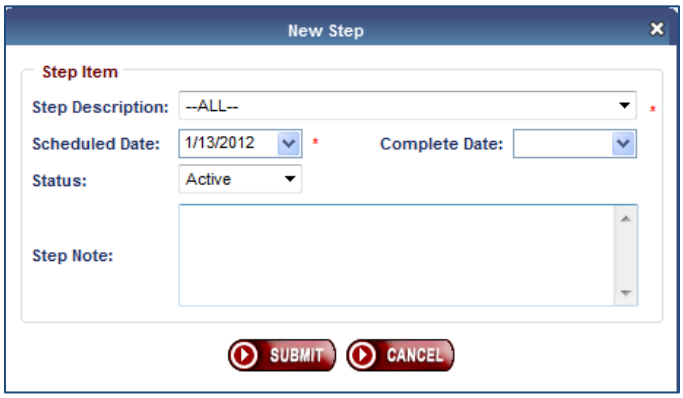

Figure 7-96: New Step – Endorsed Claim Filing

Step 15. 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 window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.5 Extension – Deed-In-Lieu

Mortgagees may request an extension of time to negotiate a deed-in-lieu of foreclosure. A servicer will initiate the first Extension – DIL request within 30 days of the expiration of the second extension request to delay foreclosure. The system allows multiple active timelines for Extension – Deed-In-Lieu timelines. The second request should be initiated within 30 days of the expiration of the initial extension expiration date.

The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Deed-In-Lieu** timeline:

7.3.1.5.1 Initiate Timeline – Servicer Activities

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

Step 1. On 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.**

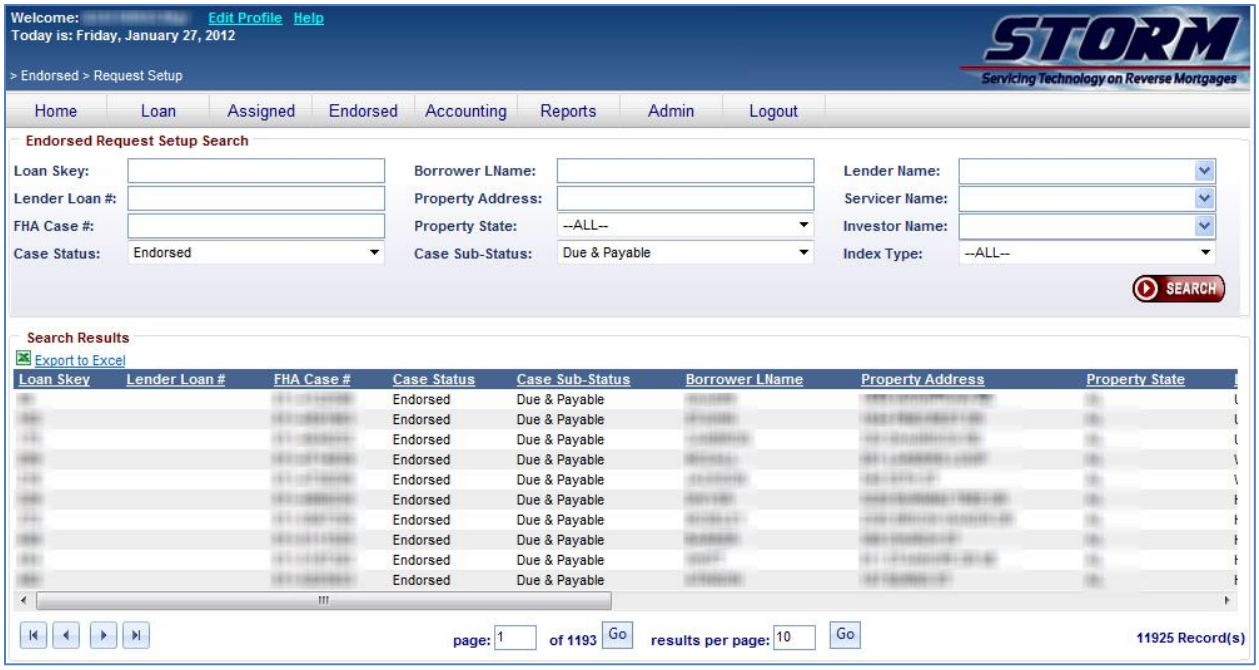

Figure 7-97: Setup Search – Endorsed Extension – DIL

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

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

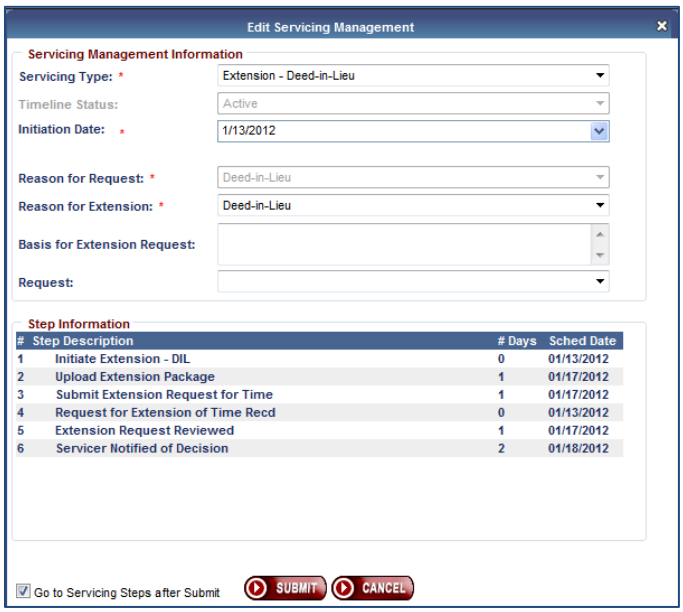

Figure 7-98: Edit Servicing Management – Endorsed Extension –DIL

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 the **Extension – Deed-In-Lieu** timeline is displayed.

Figure 7-99: Timeline Steps – Endorsed Extenson – Deed-in-Lieu

Step 8. The Step Initiate Extension - DIL **Completion Date** is pre-populated with the creation date of the timeline.

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

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

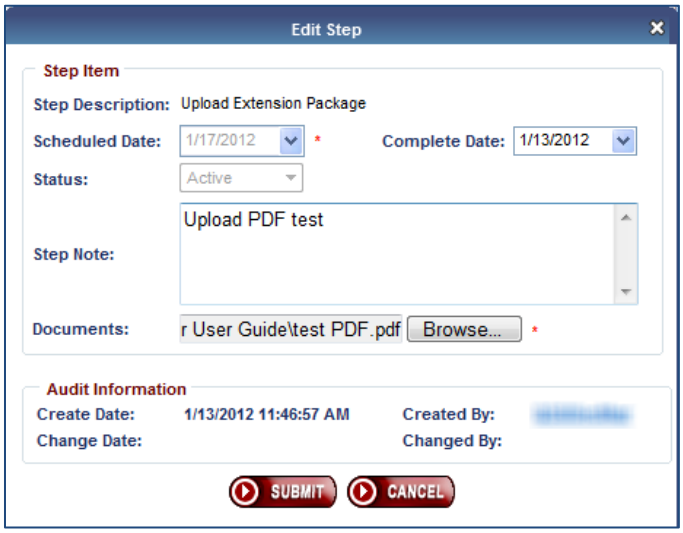

Figure 7-100: Edit Step – Upload Extension Package – Endorsed Extension – DIL

Step 11. The servicer must complete the step **Submit Extension Request for Time**. To complete the step, select the step, populate the **Completion Date** and click **Submit** on the **Edit Step window**.

7.3.1.5.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd.** To complete the step, select the step, populate the **Completion Date** and click **Submit** on the **Edit Step window**.

Step 2. Upon completion of **Extension Package** review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. 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**.

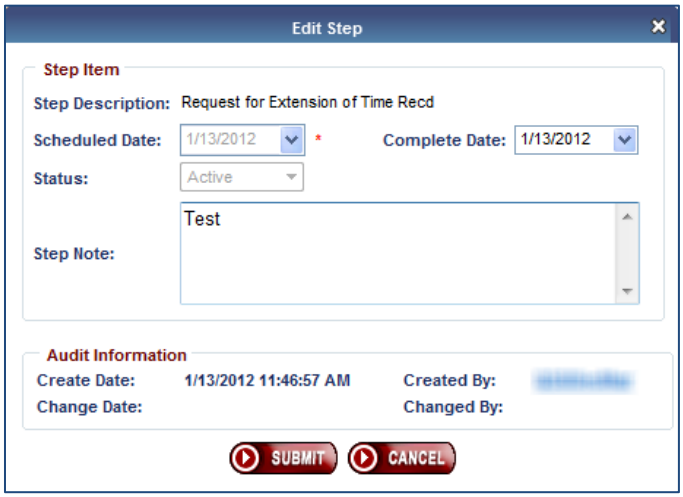

Figure 7-101: Edit Step – Request Extension of Time Recd – Endorsed Extension – DIL

Step 3. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

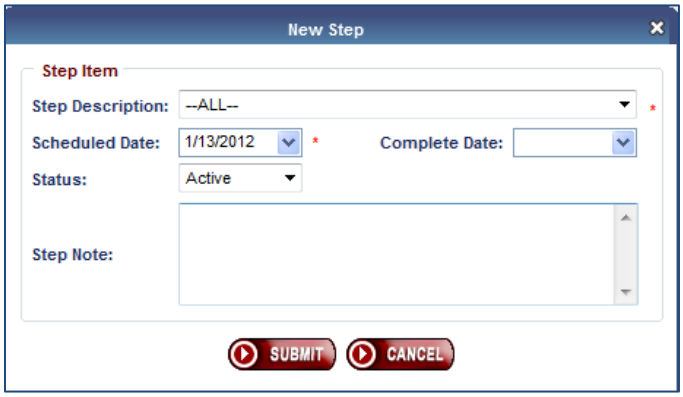

Figure 7-102: New Step – Endorsed Extension – DIL

Step 5. 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 window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 6. A HUD NSC Contractor can add an optional **Follow-up** step to set a reminder to track and complete the timeline.

7.3.1.6 Extension – Repairs

When an initial repair is incomplete, a servicer requests an extension of time to allow the mortgagor to complete the repair. The initial request is initiated within 30 days of the expiration of the Repair Rider date. When the initial request is initiated, the Servicing Module defaults the request field to First. The system allows multiple active Extension-Repairs timelines. The second request should be initiated within 30 days of the expiration of the initial Extension Expiration date. When initiating the second request, the Servicing Module defaults the request field to Subsequent.

The Servicing Management tab can be used to activate or inactivate the timeline and extension data fields. Once the timeline is inactivated, the steps can no longer be edited. The field Repair Rider Expiration Date can be edited by a servicer until the Extension Expiration Date is populated, after which the servicer cannot edit the Repair Rider Expiration Date. However, the authorized HUD NSC staff and HUD NSC Contractor can still edit the field. The repair rider expiration date must be greater than the closing date and less than or equal to number of months (as established by HUD) from the closing date.

The Extension Expiration Date field can be edited only by authorized HUD NSC staff and HUD NSC Contractors. For the first extension request, this date must be less than or equal to a certain number of days (as established by HUD) from the repair rider expiration date. For a subsequent request, this date must be less than or equal to

- the number of days (as established by HUD) from the first extension expiration date or
- the number of months (as established by HUD) from the closing date.

To initiate and complete the **Extension – Repair** timeline:

7.3.1.6.1 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.**

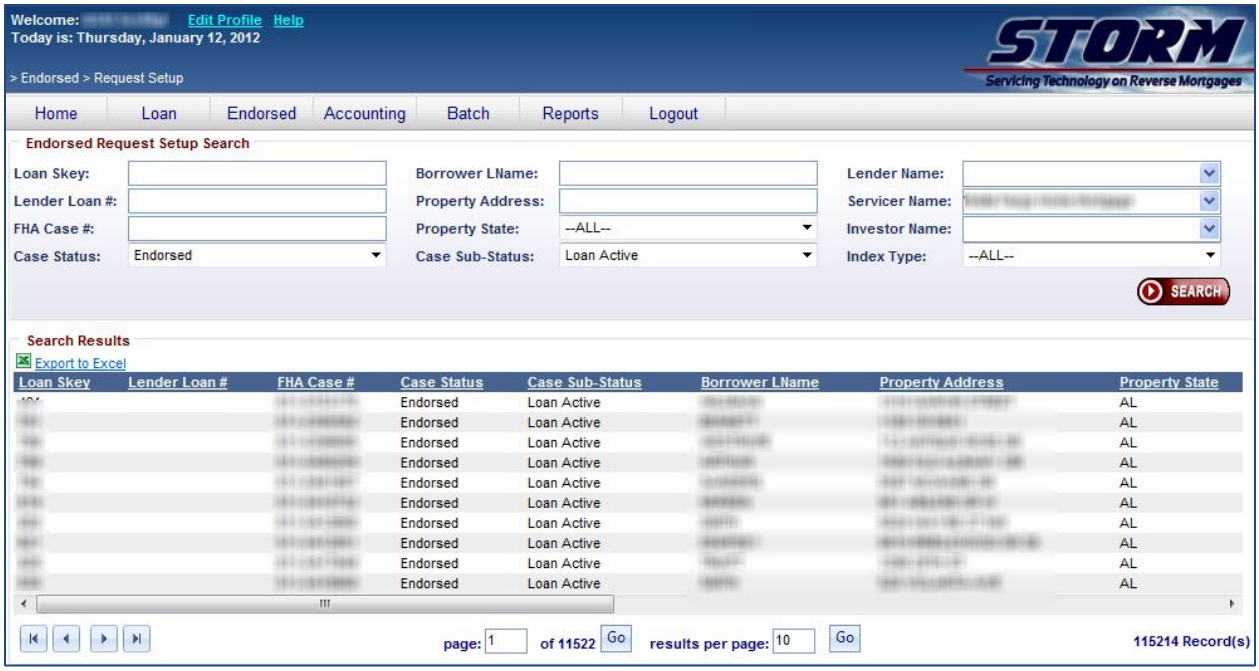

Figure 7-103: Setup Search – Endorsed Extension-Repairs

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

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

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

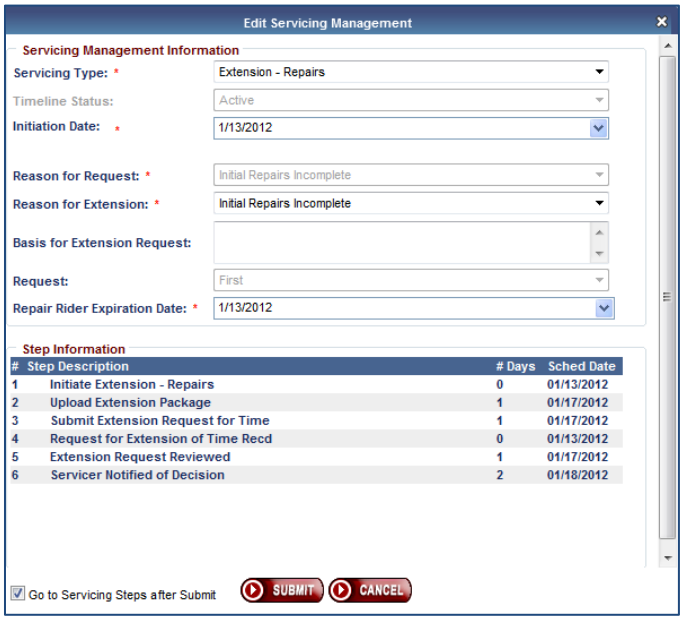

Figure 7-104: Edit Servicing Management - Endorsed Extension Repairs

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

Step 7. The **Request Steps** screen for **Extension – Repairs** timeline is displayed.

Figure 7-105: Timeline Steps – Endorsed Repairs

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

Step 9. For the step **Upload Extension Package,** the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Extension 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.

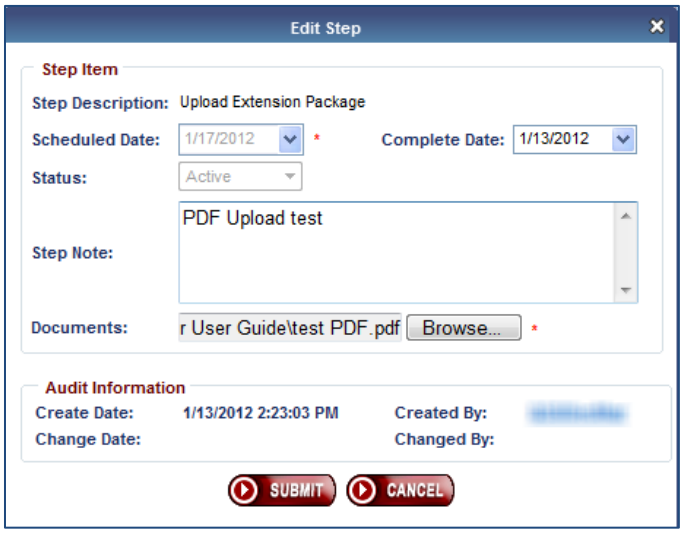

Figure 7-106: Edit Step – Upload Extension Package – Endorsed Extension – Repairs

Step 11. The servicer must complete the step **Submit Extension Request for Time**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit step** window.

7.3.1.6.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select it, populate the completion date and click **Submit** on the **Edit step** window.

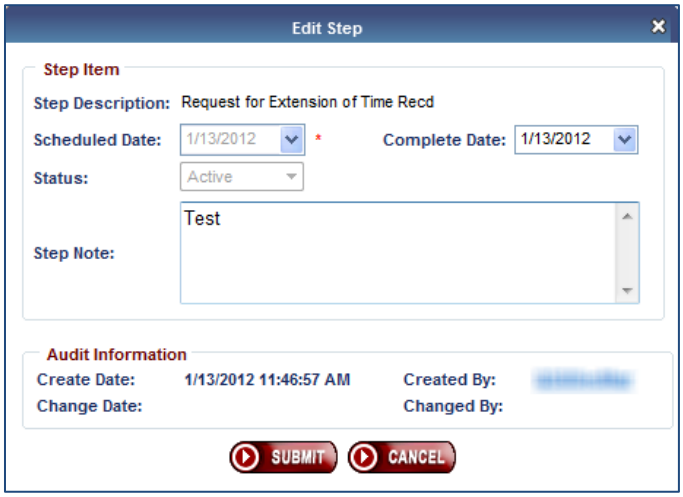

Figure 7-107: Edit Step – Request Extension of Time Recd – Endorsed Extension-Repairs

Step 2. Upon completion of Extension Package review, HUD NSC Contractor will complete the step **Extension Request Reviewed**. 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 3. Once a decision has been made about whether to approve, or deny the request, the HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

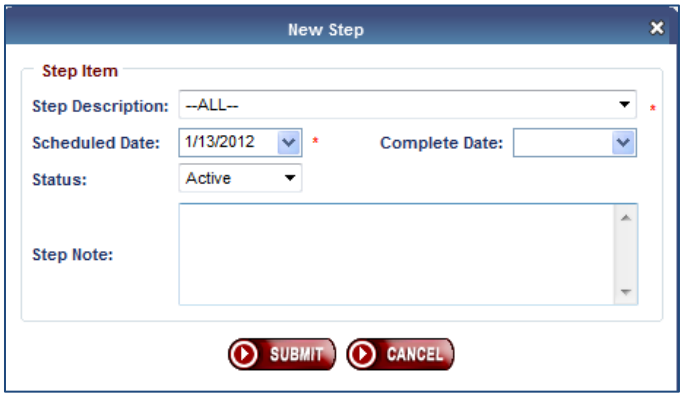

Figure 7-108: New Step – Endorsed Extension – Repairs

Step 5. 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. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 6. A HUD NSC Contractor can add an optional **Follow-up** step to set a reminder to track and complete the timeline.

7.3.1.7 Extension – Request to Delay Foreclosure

A mortgagee may request an extension of time to institute foreclosure. A servicer initiates this timeline before the expiration date of the six-month time period of foreclosure from the Due and Payable notification date (The step **Servicer Notified of the Decision** must be completed on Due and Payable w/ HUD approval timeline, this step is not needed for Due and Payable w/o HUD Approval timeline), but not earlier than a certain number of days (as established by HUD) in advance of the expiration date.

Servicing Module allows multiple active timelines for Extension – Request to Delay Foreclosure timelines. When the second request is initiated it will inactivate the first request. The second request should be initiated within 30 days of the expiration of the prior Extension Expiration date. The system will auto-approve the first two extension requests with the expiration date equal to number of days (as established by HUD) from the request submitted date. The third request must be manually reviewed and approved.

The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once inactivated all the steps within the timeline are greyed out and cannot be edited. The extension expiration date can be populated on the Notes tab by selecting the Note associated with the extension request (applicable only from third request).

To initiate and complete the **Extension – Request to Delay Foreclosure** timeline:

7.3.1.7.1 Initiate Timeline – Servicer Activities

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

Step 1. On 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.

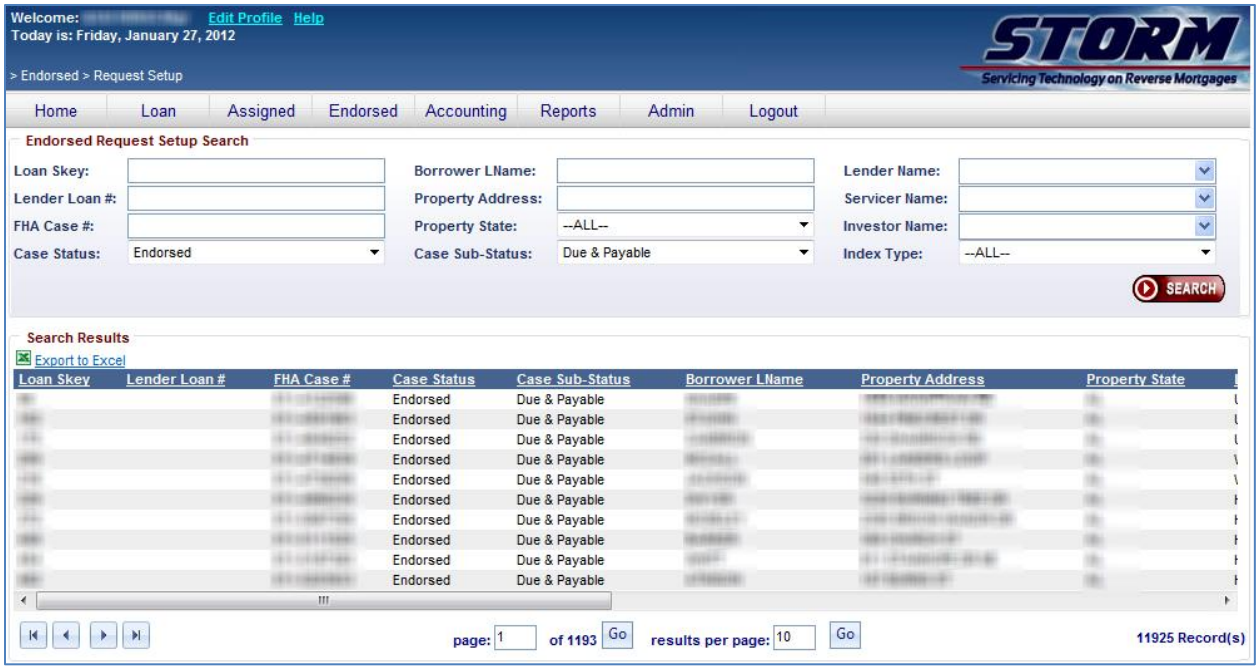

Figure 7-109: Setup Search – Endorsed Extension-Request to Delay Foreclosure

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

Step 4. On the **Edit Servicing Management** screen, select Extension – Request to Delay Foreclosure from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

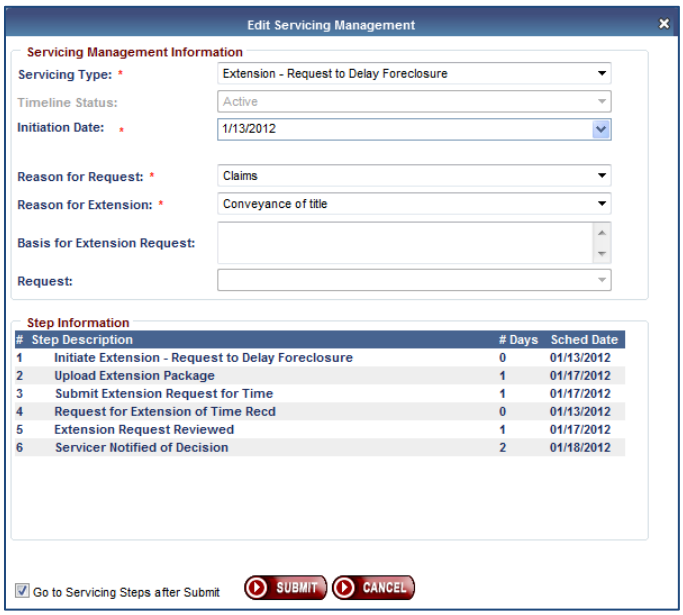

Figure 7-110: Edit Servicing Management – Extension – Request to Delay Foreclosure

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 Extension – Request to Delay Foreclosure timeline is displayed.

Figure 7-111: Timeline Steps – Endorsed Extension – Request to Delay Foreclosure

Step 8. The step **Initiate Extension – Request to Delay Foreclosure** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package,** the completion date will be pre-populated with current system date. For this step, a servicer must upload the Extension 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.

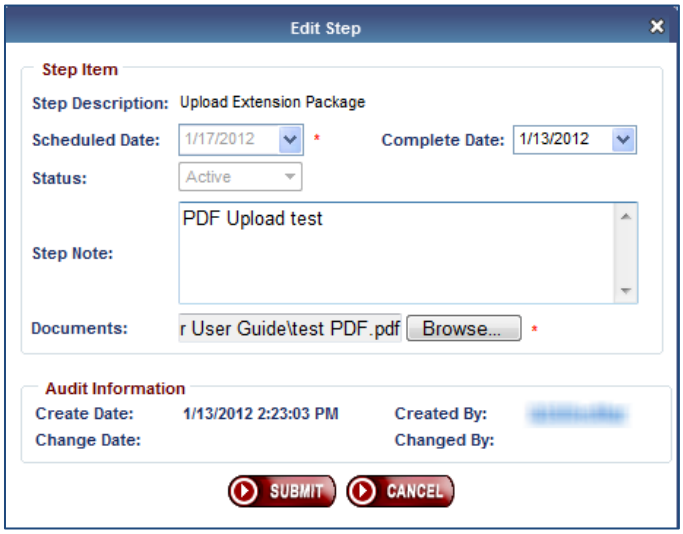

Figure 7-112: Edit Step – Endorsed Request to Delay Foreclosure

Step 11. The servicer must complete the step Submit Extension Request for Time. To complete the step, select it, populate the completion date and click **Submit** on the **Edit Step** window.

7.3.1.7.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd.** To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

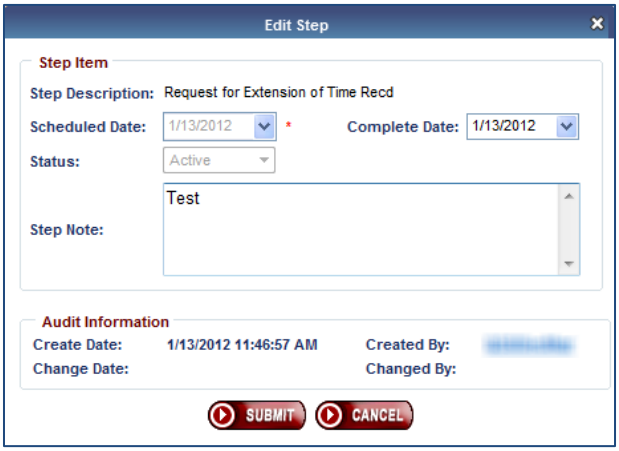

Figure 7-113: Edit Step – Endorsed Extension – Requst to Delay Foreclosure

Step 2. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. 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 3. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

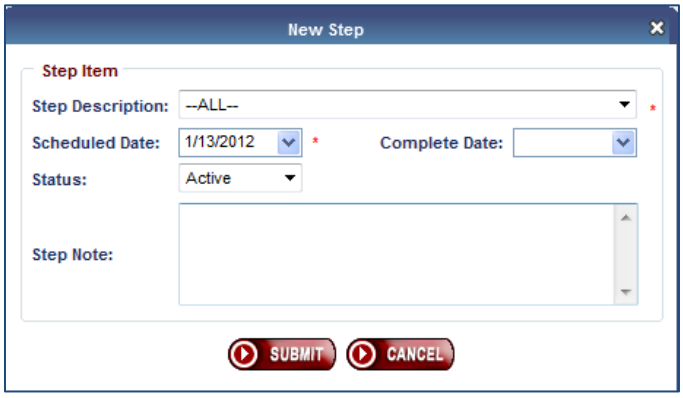

Figure 7-114: New Step – Endorsed Extension – Request to Delay Foreclosure

Step 5. 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 window. The step will be added to the list of steps.

Step 6. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.8 Investor Short Sale

This timeline is initiated by a servicer to track a short sale after acquisition of the property. A HUD contractor reviews and approves the short sale offer. When this timeline is completed, the case sub-status is updated to Short Sale Initiated. If the timeline is inactivated, the case sub-status is updated accordingly.

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

To initiate and complete the **Investor Short Sale** timeline:

7.3.1.8.1 Initiate Timeline – Servicer Activities

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

Step 1. On 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.**

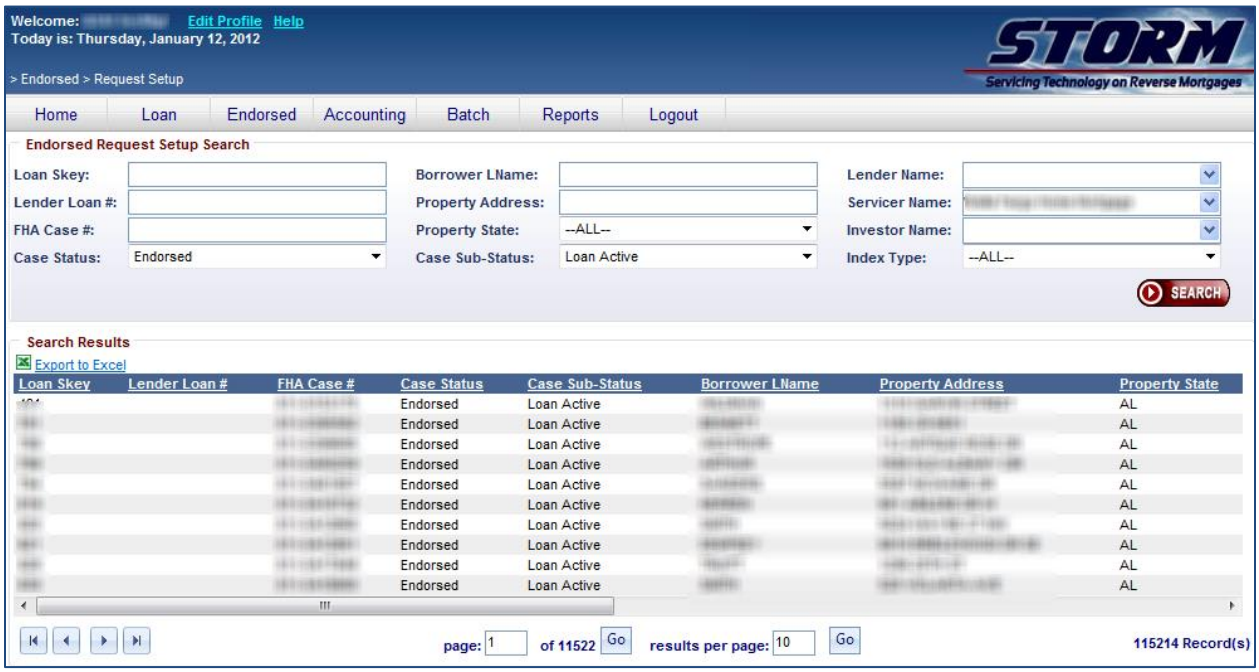

Figure 7-115: Setup Search – Endorsed Investor Short Sale

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

Step 4. On the **Edit Servicing Management** screen, select Investor 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 timeline.

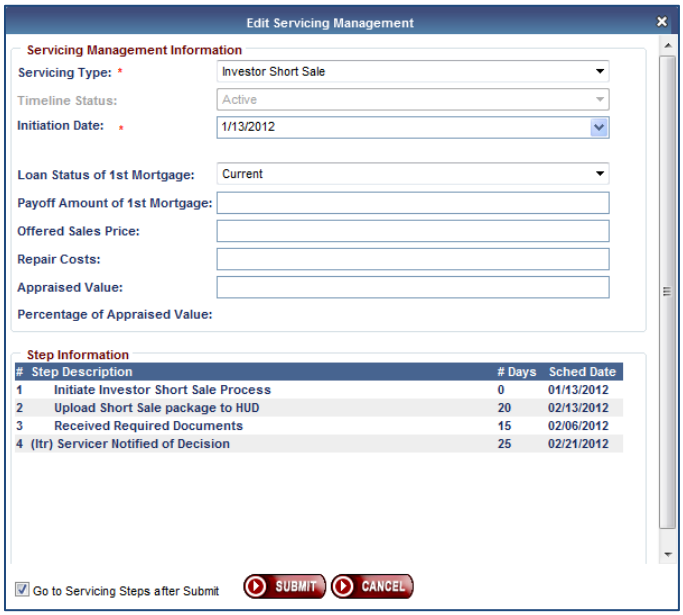

Figure 7-116: Edit Servicing Management - Endorsed Extension – Short Sale

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 Investor Short Sale timeline is displayed.

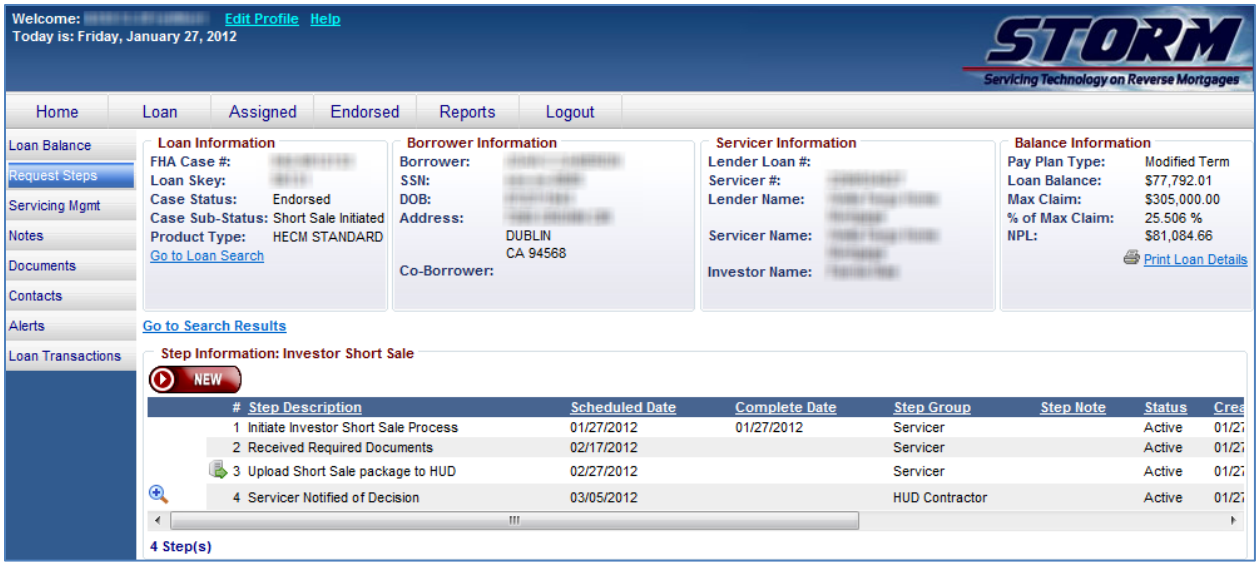

Figure 7-117: Timeline Steps – Endorsed Investor Short Sale

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

Step 9. To complete any step in the timeline, click the step. (For example: **Received Required Documents**).

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

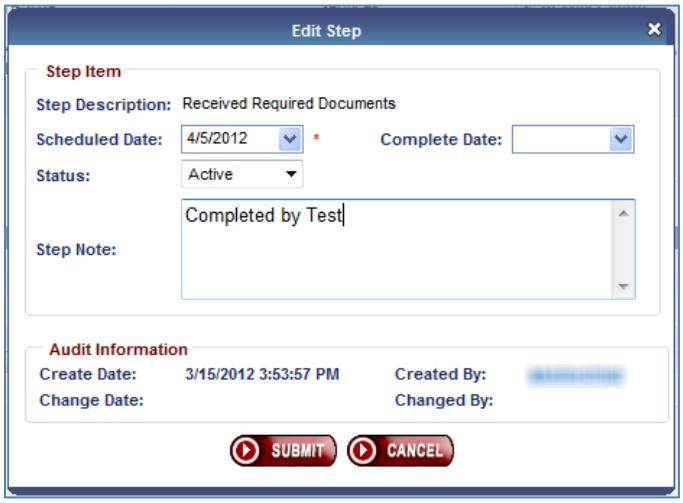

Figure 7-118: Edit Step – Received Required Documents - Endorsed Investor Short Sale

Step 11. The completion date is populated beside the step **Received Required Documents** on the Request Steps screen.

Step 12. For the step **Upload Short Sale package to HUD.** The completion date will be pre-populated with the current system date. For this step, a servicer must upload the Short Sale 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 saved. This document is also auto-saved in the **Documents** tab.

Step 13. Add the appraisal value obtained for the short sale on the **Property Values** screen. Refer to section 5.7.2.2 for instructions to add the property value.

7.3.1.8.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Short Sale package review, a HUD NSC Contractor will add the optional step and complete the step **Short Sale request Reviewed.**

Step 2. Once a decision has been made 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 (Short Sale Approved by HUD, Short Sale Denied by HUD, or Short Sale Pending), click **New.**

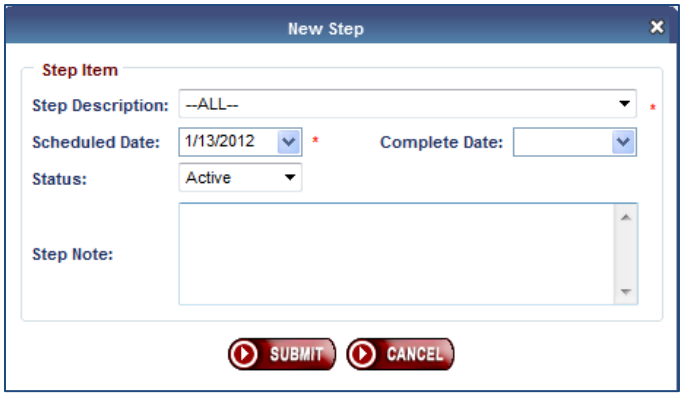

Figure 7-119: New Step – Endorsed Investor Short Sale

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 window. The step will be added to the list of steps.

- **If the decision is Short Sale Pending**: The Short Sale Pending Letter is available. To generate the Short Sale Pending Letter, click on the **magnifying glass** beside the Short Sale Pending step. The Short Sale Pending Letter is displayed with options to preview or print the document. The letter displays the list of additional documents with options to check the required document, update the letter and click the **Preview Document** link to view the updated document. To auto-save the changes made to the document, click **Print** Document. Click **Open** on the File Download pop-up window. This action will save the Short Sale Pending Letter to the Documents tab. Refresh the screen to auto complete the step with current system date.
- **If the decision is Short Sale Approved or Denied by HUD:** The Short Sale Approval/Disapproval letter is available. To generate the Short Sale Approval/Disapproval letter, click on the magnifying glass beside step "Servicer Notified of Decision", the Short Sale Approval/Disapproval letter is displayed with options to Preview Document and Print Document. The letter displays a HUD decision, update the letter and 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 Short Sale Calculation Worksheet to the Documents tab. Refresh the screen to auto complete the step with current system date.

7.3.1.8.3 Servicer and HUD NSC Contractor Activities

If the decision by the HUD NSC Contractor is Pending Additional Information then:

Step 1. **HUD NSC Contractor Activity:** Upon submission of additional information by servicer, a HUD NSC Contractor reviews the additional documents requested and adds the optional step – **Received Required additional Information**. This action triggers addition of a new step **Received Closing Proceeds** by the system.

- If a servicer does not submit the required documents within 45 days from the initial decision, a HUD NSC Contractor adds the optional step, Follow-up on Pending Information.

Step 2. **Servicer Activity:** The step **Received Closing Proceeds** must be completed by the servicer.

7.3.1.9 Partial Release

This timeline is initiated by the Servicer when the mortgagee receives a request from the mortgagor to release a portion of the property secured by the HECM mortgage. With this timeline, the mortgagee submits their decision to HUD, who holds a second mortgage on the property. The request is reviewed and a recommendation is made by a HUD NSC Contractor to HUD. A HUD staff member reviews a HUD NSC Contractor recommendation and the submitted documents, and makes a decision. This timeline requires Servicer, HUD NSC Contractor and HUD interaction.

Multiple active Partial Release timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update release details such as reason for release, amount offered, and description of land to be released. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Partial Release** timeline:

7.3.1.9.1 Initiate Timeline – Servicer Activities

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

Step 1. On 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.**

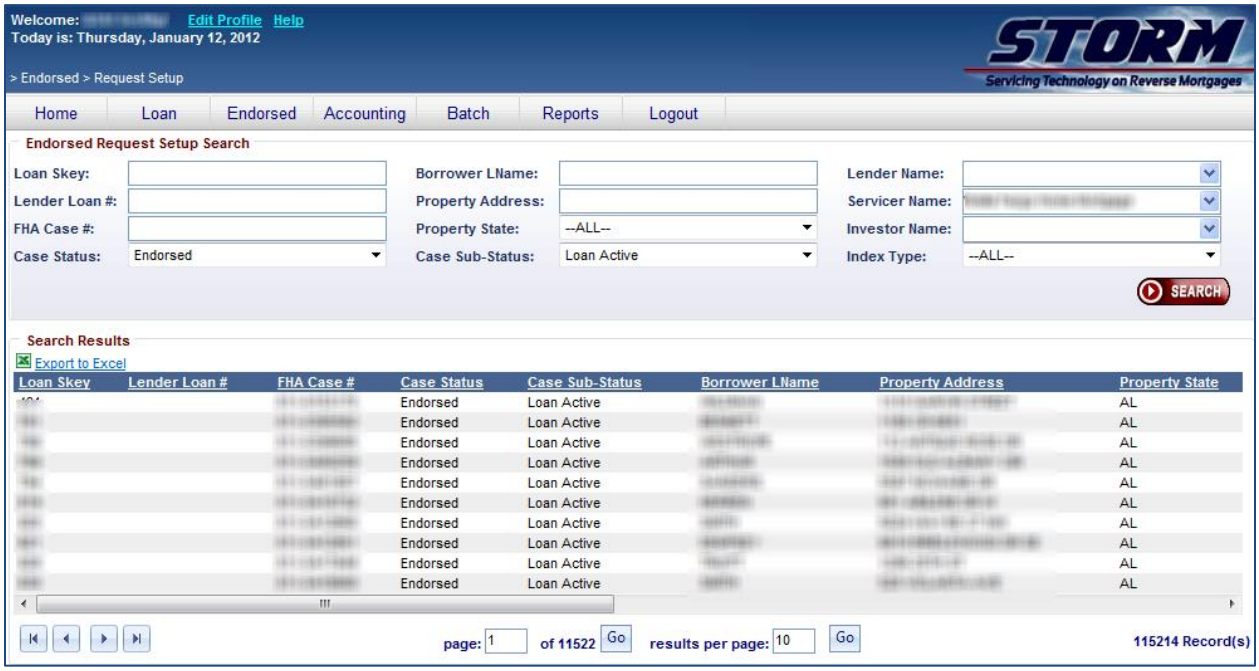

Figure 7-120: Setup Search – Endorsed Partial Release

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

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

Figure 7-121: Edit Servicing Management - Endorsed Partial Release

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen). Details of the partial release such as reason, amount offered and description of land to be released can be edited on the Servicing Management tab after initiation of the timeline.

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

Step 7. The **Request Steps** screen for **Partial Release** timeline is displayed.

Figure 7-122: Timeline Steps – Endorsed Partial Release

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

Step 9. For Step **Upload Partial Release Package** the Complete Date will be pre-populated with current system date. For this step, a servicer must upload the Partial Release 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. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

7.3.1.9.2 HUD NSC Contractor and HUD NSC Staff Activities

HUD NSC Contractor and HUD NSC Staff must perform the following steps:

Step 1. Upon completion of the Partial Release Package review, a HUD NSC Contractor will complete the step **Partial Release Package Reviewed**. 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.

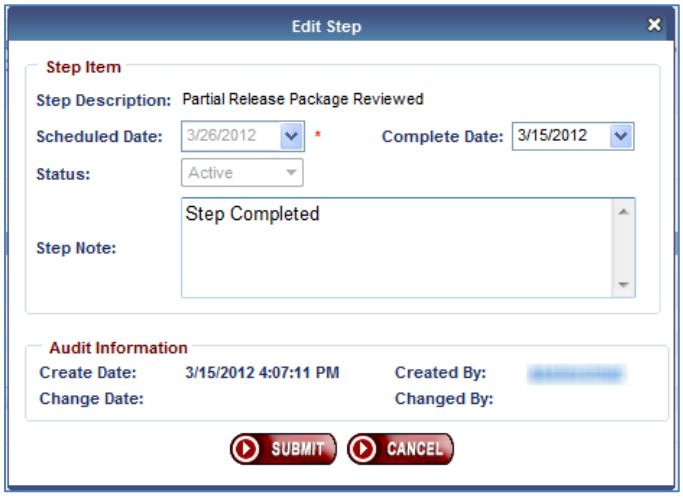

Figure 7-123: Edit Step – Partial Release Package Received - Endorsed Partial Release

Step 2. Once a decision has been made 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 (Approved, Denied, or Pending Additional Information), click **New.**

Step 4. Select an optional step from the Sep Description dropdown (Contractor Recommendation - Approved, Contractor Recommendation -Denied, or Contractor Review - Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

Step 5. The HUD NSC Contractor will complete the step **Recommendation Sent to HUD** to let HUD know their recommendation. 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.

HUD NSC staff must perform the following steps:

Step 6. The HUD NSC staff will review the recommendation and make a decision.

Step 7. Once a decision has been made about whether to approve, deny or request additional information. The HUD NSC staff will add the respective optional step.

Step 8. To add an optional step (HUD Decision – Approved, HUD Decision – Approved with Contingency, HUD Decision - Denied, or HUD Decision – Pending Additional Info), click **New.**

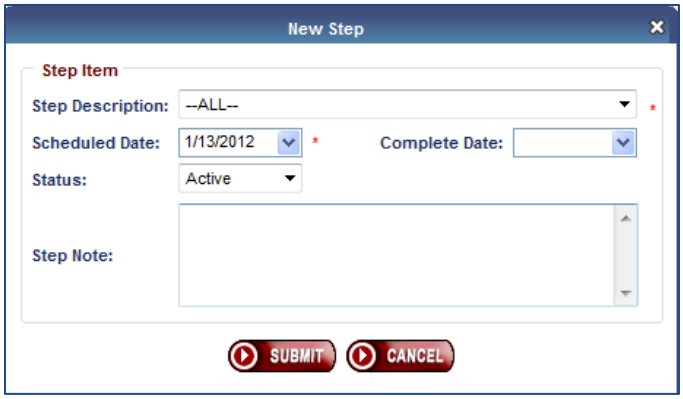

Figure 7-124: New Step – Endorsed Partial Release

Step 9. Select an optional step from the **Step Description** dropdown (HUD Decision – Approved, HUD Decision – Approved with Contingency, HUD Decision - Denied, or HUD Decision – Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

The next steps must be completed by HUD NSC Contractor:

Step 10. The HUD NSC Contractor will generate the Partial Release decision letter.

Step 11. To generate the Partial Release Decision Letter, click the magnifying glass beside Servicer Notified of Decision, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Partial Release Decision Letter is displayed. Note: The HUD decision chosen via the optional step will be pre-populated in this letter.

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

Step 13. If the HUD NSC staff requested more information, upon submission of the information, a HUD NSC Contractor reviews the additional documents requested and adds the optional step, Received Required Additional Information.

Step 14. The HUD NSC Contractor updates the decision by selecting the appropriate optional step (approved, denied, or pending additional information) followed by the HUD NSC staff decision. If a servicer does not submit the required documents within 45 days from the initial decision, a HUD NSC Contractor adds the optional step, Follow Up on Pending Information.

7.3.1.10 Preservation and Protection

This timeline is initiated by a servicer when the Preservation and Protection expenses exceed the state allowable limits and HUD contractor/ HUD approval is needed on the additional expenses. This timeline requires HUD interaction to review and make a decision on the request.

Multiple active Preservation and Protection 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 **Preservation and Protection** timeline:

7.3.1.10.1 Initiate Timeline – Servicer Activities

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

Step 1. On 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.**

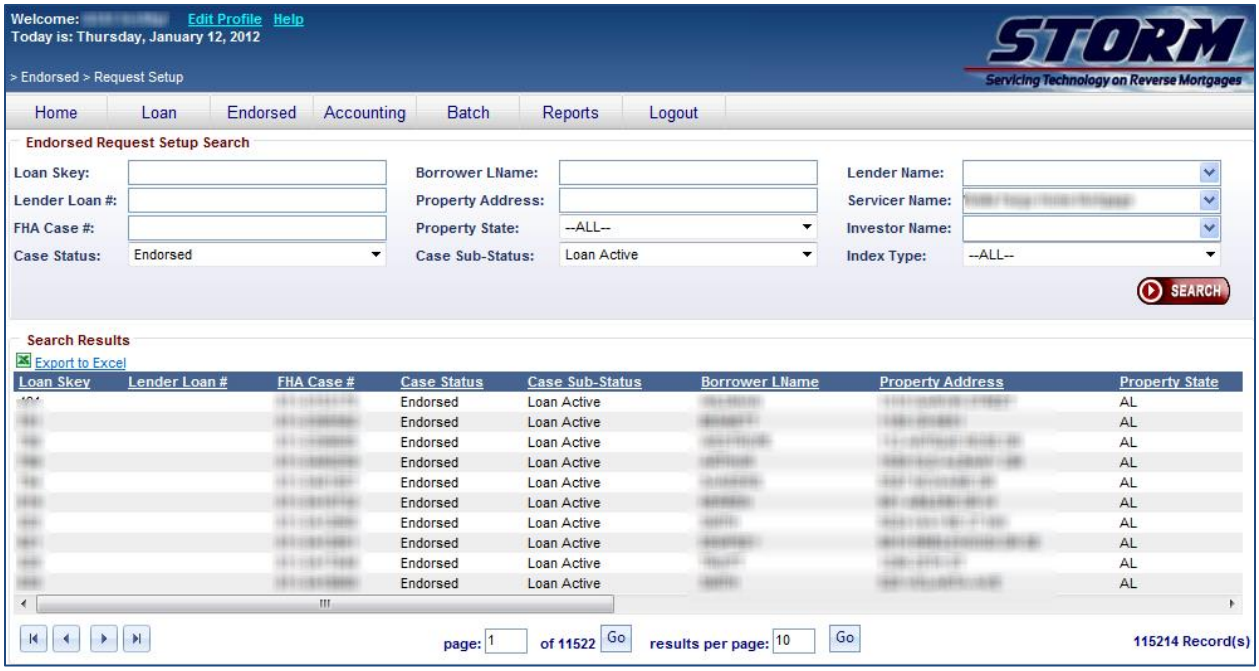

Figure 7-125: Setup Search – Endorsed Preservation and Protection

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

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

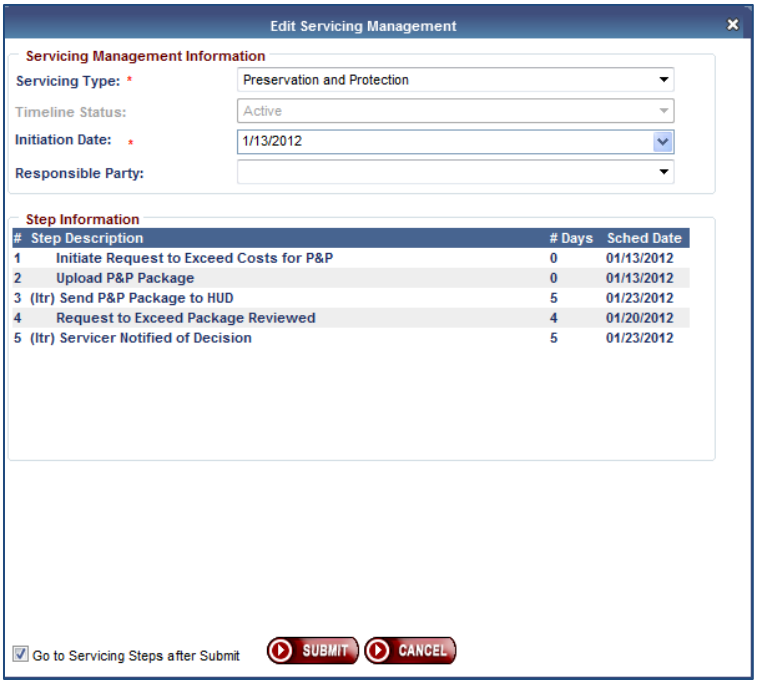

Figure 7-126: Edit Servicing Management - Endorsed Preservation and Protecton

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 **Preservation and Protection** timeline is displayed.

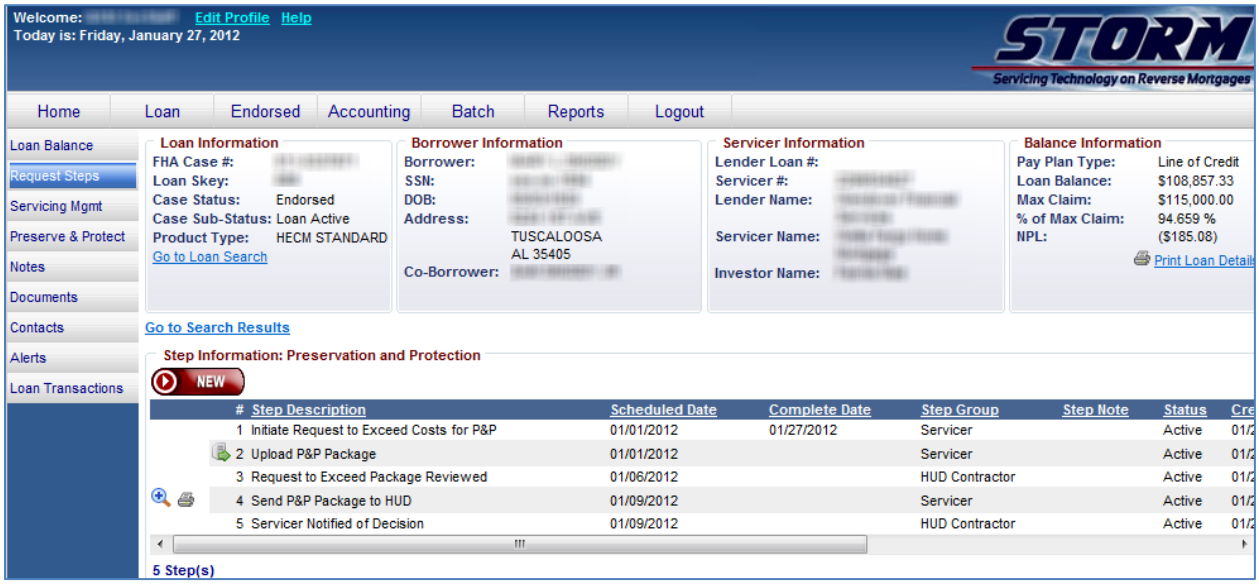

Figure 7-127: Timeline Steps – Endorsed Preservation and Protection

Step 8. The step **Initiate Request to Exceed Costs for P&P** completion date is pre-populated with the timeline created date.