CHAPTER 6: GENERAL SERVICING (ASSIGNED)

6. GENERAL SERVICING (ASSIGNED)

This chapter discusses general servicing for loans that are in **Assigned** case status:

- **Assigned Servicing Overview**
- **Loan Search**
- **Loan Balance**
- **Loan Details**
- **Transactions**
- **Contacts**
- **Property**
- **Documents**
- **Notes**
- **Audit Tracking**
- **Alerts**
- **Change of Plan**
- **Payoff**
- **Statement**
- **Disbursement**
- **Servicer Info**
- **Servicer Request**
- **Bank Account**
- **Accounting**
- **Batch**

6.1 Assigned Servicing Overview

When the loan balance on a HECM loan reaches the threshold percentage (as established by HUD) of the maximum claim amount, a servicing lender can request assignment to HUD. A Claim Type 22 timeline must be initiated and steps within the timeline completed (step - Assignment to HUD sent for recording/Servicer Files Claim Type 22 – Form 27011) to transfer the servicing of the loan to HUD. This also updates the Lender and Investor fields on the Loan to HUD.

Upon completion of the step HUD Issued Final Title Approval on the Claim Type 22 timeline, the case status is updated to Assigned.

HUD assumes all the general servicing loan functions that the previous servicing lender performed. This chapter explains in detail all the functions available for assigned loans and discusses in detail how to perform these functions.

6.2 Loan Search

In the Servicing Module, the Loan Search screen enables users to search loans and review and edit the loan information.

6.2.1 Search Criteria

Loan records can be retrieved using various combinations of search criteria. In general,

- Enter more search criteria to retrieve more specific search results, but fewer loan records
- Enter fewer search criteria to retrieve a larger number and broader range of loan records
- Basic search criteria include FHA case # and case status

6.2.2 Searching for a Loan

To search for a loan, please refer to **Chapter 2.**

6.2.3 Loan Search Results

To view and navigate the loan search results, please refer to **Chapter 2.**

For the loans where servicing has been transferred to HUD NSC Contractor, the Loan Search screen allows the authorized user to bulk print welcome letter and advance request forms.

6.2.3.1 Bulk Print Welcome Letters

To print the welcome letters:

Step 1. Enter the search criteria and click **Search** on the **Loan Search** screen to display the search results matching the search criteria in the **Loan Search Results** section.

Step 2. Enter the checkbox beside the loan record in the search results.

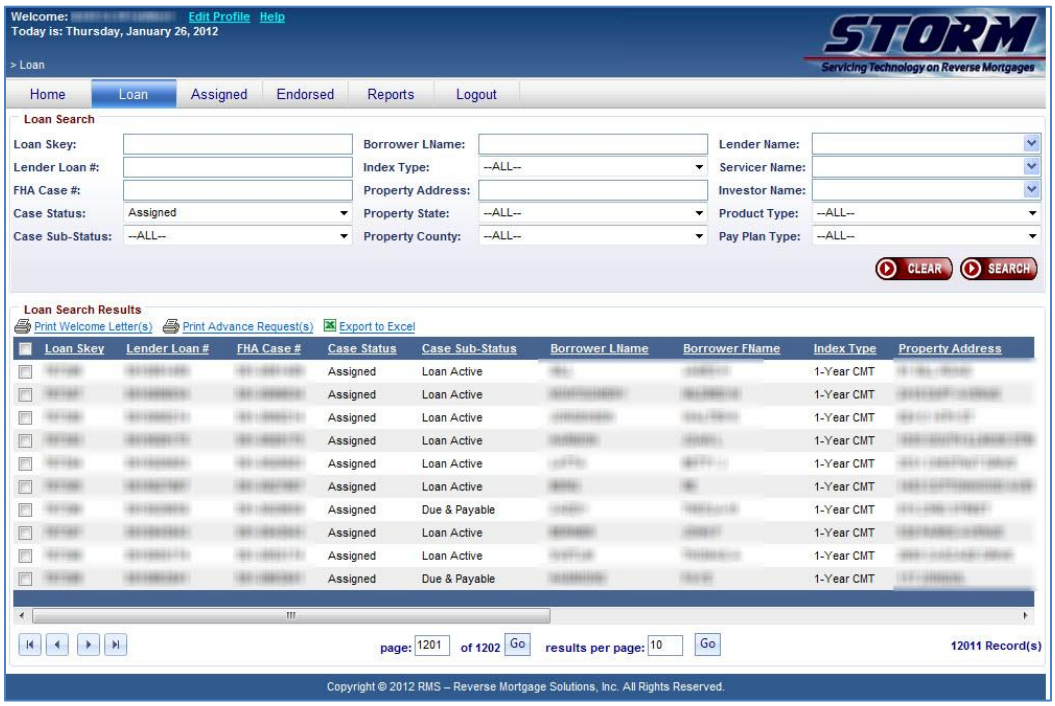

Figure 6-1: Loan Search Screen – Print Welcome Letters

Step 3. Click the **Print Welcome Letter(s)** link in the **Loan Search Results** section.

Step 4. Edit the Subject and Salutation on the **Print Welcome Letter** window, click **OK.** This window is displayed only if single loan is selected. For multiples loans, system will select the default settings for the Subject and Salutation fields. To exit without printing the letter click **Cancel**.

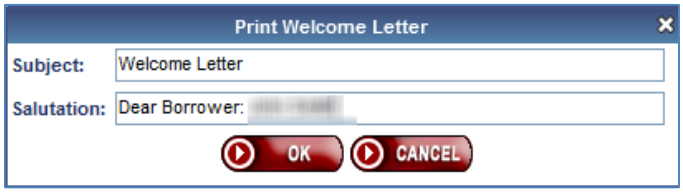

Figure 6-2: Print Welcome Letter Window

Step 5. This action will auto-save the welcome letter on the **Documents** tab of the selected loan and display a PDF document with the welcome letter for each of the selected loans.

6.2.3.2 Bulk Print Advance Request Forms

To print the advance request forms:

Step 1. Enter the search criteria and click **Search** on the **Loan Search** screen to display the search results matching the search criteria in the **Loan Search Results** section. This form is available only for loans with Pay Plan types of: Modified Tenure, Modified Term and Line of Credit.

Step 2. Enter the checkbox beside the loan record in the search results.

Step 3. Click the **Print Advance Request(s)** link in the **Loan Search Results** section.

Step 4. Enter the number of copies needed for each loan on the **Print Unscheduled Advance Reqest Form** window, click **OK.** To exit without printing the letter click **Cancel**.

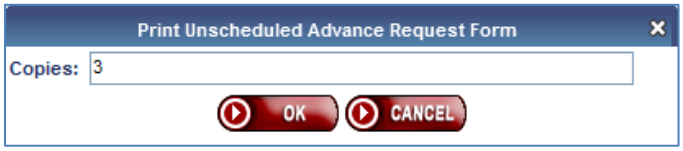

Figure 6-3: Print Unscheduled Advance Request Form Window

Step 5. A PDF document is displayed with the selected number of unscheduled advance request copies for each of the selected loans. For example: If three copies are selected for two loans, six copies are displayed.

6.3 Loan Balance

When the user selects a loan from the Loan Search Results section, the Loan Balance screen is displayed. This screen allows the user to view the loan balance information. The information displayed on this screen is received from CHUMS or recorded /derived during the loan setup

process. This screen also allows the authorized user to update the payment status on the loan based on the roles and permissions enabled for the users.

If a critical alert exits on the loan, then Critical Alerts window is displayed on the Loan Balance screen warning the user with the critical alert information. Click OK to view the Loan Balance screen.

Figure 6-4: Critical Alerts Window

The Loan Balance screen displays the following data sections:

- Header section - Loan/Borrower/Servicer/Balance Information
- Principal Limit Calculation
- Loan Balance Information (represented as pie chart and bar graph)
- Other Balances
- Payment Plan Information (Editable): The plan can be activated/suspended using this function
- Fees
- Credit Line Set Aside Information
- Audit Information

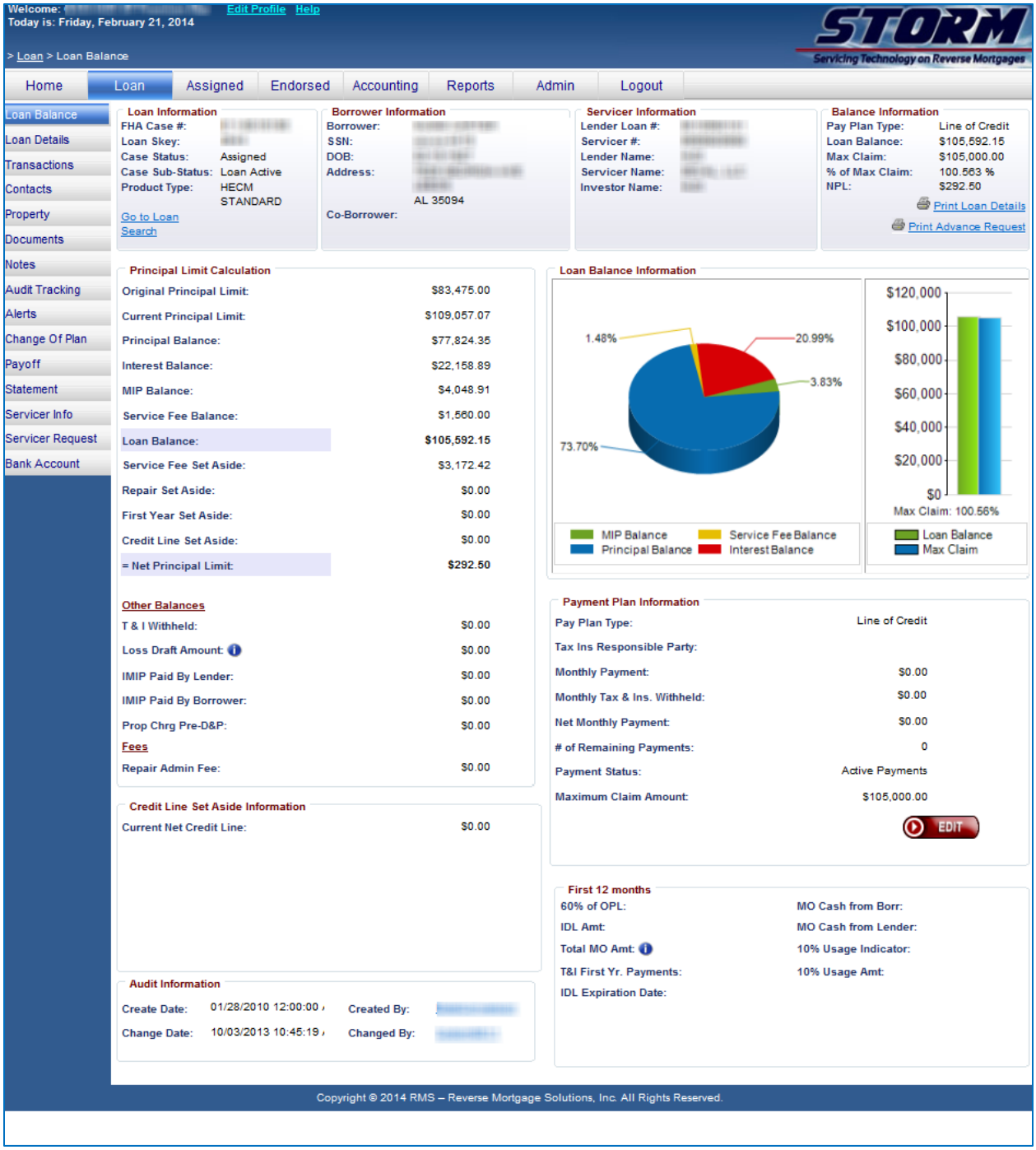

Figure 6-5: The Loan Balance Screen

The header screen displays the following links:

- **Go to Loan Search:** This link navigates the user back to the Loan Search screen. When navigated back to the Loan Search screen, the results from the previous search criteria are displayed.

- **Go to Parent Loan:** This link is displayed when the product type of the loan is HECM – Refinance or HECM Saver – Refinance. This link navigates the user to the Loan Balance screen of the parent loan.
- **Print Advance Requests:** This link is displayed when the Pay Plan type on the loan is: Modified Tenure, Modified Term and Line of Credit. To print the form, click the link and enter the copies needed on the Print Unscheduled Advance Reqest Form window. Click OK to generate the form in PDF.

> The Unscheduled Advance Request form can also be generated from the Request for Unscheduled Advance timeline. Refer to **Section 7.4.1.5** for details.

- **Print Loan Details:** This link allows the user to generate Loan Summary in a PDF file that can be saved or printed. It contains the following data sections:
    - Loan Identifiers
    - Loan Dates
    - Borrower & Property Information
    - Loan Rates
    - Principal Limit Calculation
    - Payment plan Information
    - Credit Line Set Aside Information
    - Servicer Information

6.3.1 Activating or Suspending Payments

To activate or suspend payments:

Step 1. Click **Edit** in the **Payment Plan Information** section on the **Loan Balance** screen.

Figure 6-6: Payment Plan Information Section

Step 2. On the **Edit Payment Plan** window, select Active Payments or Payment Suspended from the **Payment Status** dropdown.
- If the **Payment Suspended** option is selected - the case sub-status is updated to Payment Suspended and a critical alert is added on the loan.
- If **Active Payments** is selected then the case sub-status is updated accordingly. The Payment Suspended critical alert becomes inactive once the active payment option is selected.

Step 3. To change the responsible party for tax payments, select Borrower or Servicer from the **Tax Ins Responsible Party** dropdown.

Step 4. Click **Submit** to save the changes. The changes will be displayed on the **Loan Balance** screen. To exit the window without saving the changes select **Cancel.**

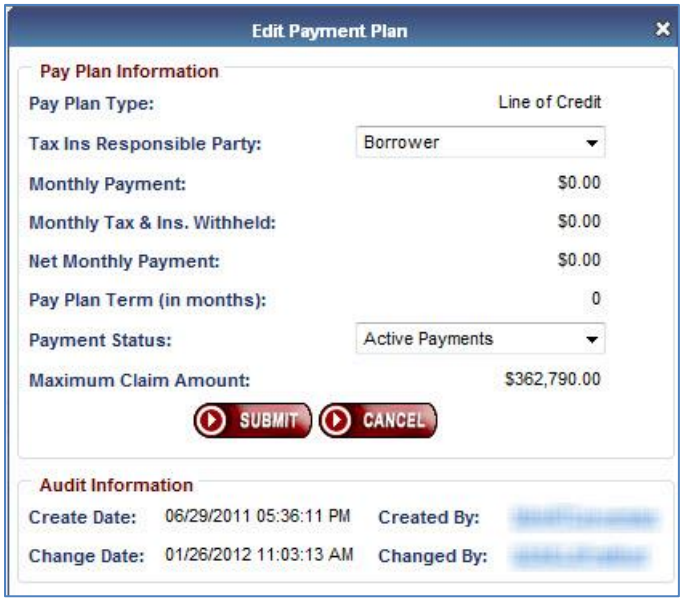

Figure 6-7: Edit Payment Plan Window

6.3.2 Viewing Audit Information

The Audit Information section is displayed in the lower left corner of the Loan Balance screen. This section displays the date and user that modified the fields within the Pay Plan Information section.

To view details of the user that updated the information:

Step 1. Click **Changed By** link under the **Audit Information** section.

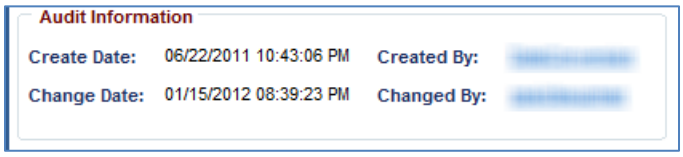

Figure 6-8: Audit Information Section on Loan Balance Screen

Step 2. The **User Information** window is displayed with the contact details of the user. Click **OK** to exit the window.

Figure 6-9: User Information Window

6.4 Loan Details

The Loan Details screen is displayed when a user selects the Loan Details tab from the menu options on the left side of the screen. The information displayed on this screen is received from CHUMS or recorded during the loan setup process. This screen also allows authorized users (example: HUD NSC Contractor) to edit the data fields.

The Loan Details screen displays the following data sections:

- Header section - Loan/Borrower/Servicer/Balance Information
- Loan Rates
- Loan Dates
- Loan Identifiers
- 2nd Mortgage/DOT
- 1st Mortgage/DOT
- Audit Information

Welcome: [redacted] Edit Profile Help
Today is: Monday, March 19, 2012

STORM
Servicing Technology on Reverse Mortgages

> Loan > Loan Details

Home | Loan | Assigned | Endorsed | Reports | Logout

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

Loan Information

FHA Case #:	[redacted]
Loan Skey:	[redacted]
Case Status:	Assigned
Case Sub-Status:	Loan Active
Product Type:	HECM - REFINANCE

Go to Loan Search Go to Parent Loan

Borrower Information

Borrower:	[redacted]
SSN:	[redacted]
DOB:	[redacted]
Address:	[redacted] TAMARAC FL 33319
Co-Borrower:	

Servicer Information

Lender Loan #:	[redacted]
Servicer #:	[redacted]
Lender Name:	[redacted]
Servicer Name:	[redacted]
Investor Name:	[redacted]

Balance Information

Pay Plan Type:	Line of Credit
Loan Balance:	$176,279.81
Max Claim:	$170,000.00
% of Max Claim:	103.694 %
NPL:	$1,321.75

Print Loan Details

Loan Rates

Exp. Interest Rate:	5.660 %	Closing Date:	02/16/2007
MIP Rate:	0.500 %	Funded Date:	02/22/2007
Interest Rate At Closing:	6.070 %	FHA Case # Assigned Date:	
Rate Type:	Monthly	Application Date:	
Index Type:	1-Year CMT	Exp. Rate Index Date:	
Margin: (Range 0% - 5%)	1.000 %	Exp. Rate Locked:	No
Round to 1/8th:	☐	First Payment Date:	
Credit Type:		ARM First Change Date:	04/01/2007
Monthly Service Fee:	$30.00	Basis Points (BPS):	
Previous Idx Rate / Int Rate:	0.260 % / 1.260 %	Next Idx Rate / Int Rate:	0.170 % / 1.170 %
Current Idx Rate / Int Rate:	0.120 % / 1.120 %	Periodic Cap / Lifetime Cap:	/ 16.070 %

Loan Dates

Origination Date:	02/16/2007
MIC Date:	03/13/2007
Assignment Date:	03/19/2012
Endorsement Date:	05/28/2008
Firm Commitment Date:	
Terminated Date:	
ARM Next Change Date:	04/01/2012
Expiration Date:	
Custodial Care Request Date:	
Custodial Care Place Date:	
Vacancy Date:	

EDIT

Loan Identifiers

Loan To Value (LTV):	103.694 %	ADP SOA Code:	952/255
Mortgage Doc. Exists:	☐	Note Doc. Exists:	☐
Lender Loan #:	1234567890	Servicer Loan #:	
Investor Loan #:	6000279185	Ginnie Mae #:	
Print Statements:	☑	Label Printed:	☐
Barcode Printed:	☐	No Pay Order:	☐
Closed Box #:			

2nd Mortgage/DOT

Instrument #:	Book #:
Page #:	Recorded Date:
Trustee Orig:	
Trustee Subs:	

1st Mortgage/DOT

Instrument #:	Book #:
Page #:	Recorded Date:
Trustee Orig:	
Trustee Subs:	

EDIT

Audit Information

Create Date:	02/01/2012 02:40:35 PM	Created By:	[redacted]
Change Date:	03/19/2012 04:00:09 PM	Changed By:	[redacted]

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Figure 6-10: Loan Details Screen

6.4.1 Editing Loan Dates

To edit fields in Loan Dates section:

Step 1. Click **Edit** in the **Loan Dates** section on the **Loan Details** screen.

Step 2. On the **Edit Loan Dates** window, edit the fields as needed.

Figure 6-11: Edit Loan Dates Window

Step 3. Click **Submit** to save the changes. The changes will be displayed on the **Loan Details** screen. To exit the window without saving the changes select **Cancel.**

6.4.2 Editing Loan Identifiers

To edit fields in Loan Identifiers section:

Step 1. Click Edit in the Loan Identifiers section on the Loan Details screen.

Step 2. On the Edit Loan Identifiers window, edit the fields as needed.

Step 3. Click **Submit** to save the changes. The changes will be displayed on the Loan Details screen. To exit the window without saving the changes click **Cancel**.

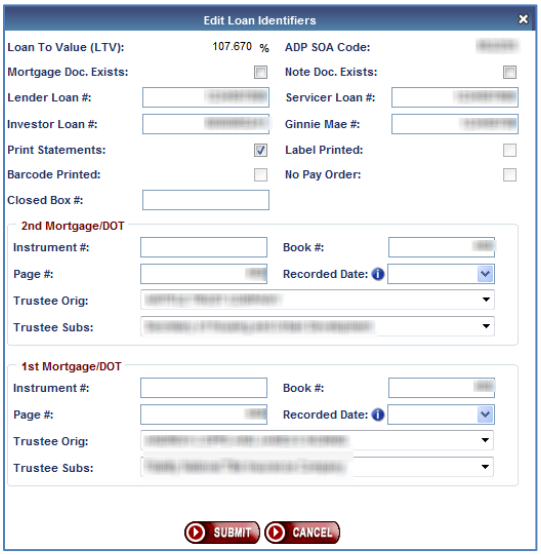


Figure 6-12: Edit Loan Identifiers Window

6.4.3 Viewing Audit Information

The Audit Information section is displayed in the lower right corner of the Loan Details screen. This section displays the date and user that modified the fields within any of the data sections.

To view details of the user that updated the information:

Step 1. Click **Changed By** link under the **Audit Information** section.

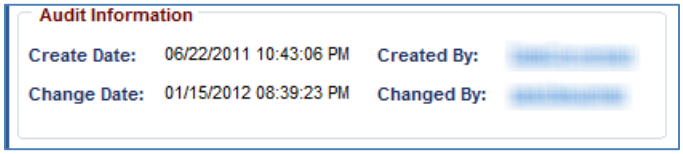


Figure 6-13: Audit Information Section on Loan Details Screen

Step 2. The **User Information** window is displayed with the contact details of the user. Click **OK** to exit the window.

Figure 6-14: User Information Window

6.5 Transactions

The Loan Transactions screen is displayed when a user selects the Transactions tab from the menu options on the left side of the screen. This screen allows authorized users (example: HUD NSC Contractor) to report transaction activities on a loan.

The transactions tab has four sub-menu options:

- Loan
- Growth
- Set Asides
- Claims

6.5.1 Transactions – Loan

This screen displays all the current and historical loan transactions (prior to Assigned status) associated with the loan. This screen allows the user to perform the following functions:

- **Loan Transaction Filter:** Allows the user to filter and view specific transactions within a transaction category.
- **New Transactions:** Allows the authorized user to add transactions on the loan
- **Balance Adjustment:** Allows the authorized user to adjust the loan balance
- **Write-off:** Allows the authorized user to perform partial write-off on the loan balance
- **Export Transactions:** Allows the authorized user to export transactions generated in the Servicing Module
- **Print Transactions:** Allows the authorized user to print the transactions (file generated in PDF) generated in the Servicing Module
- **Export Historical Transactions:** Allows the authorized user to export transactions generated in the Insurance Accounting Collection System (IACS) system prior to data conversion in the Servicing Module
- **Print Historical Transactions:** Allows the authorized user to print the transactions (file generated in PDF) for the transactions generated in the Insurance Accounting Collection System (IACS) system prior to data conversion in the Servicing Module

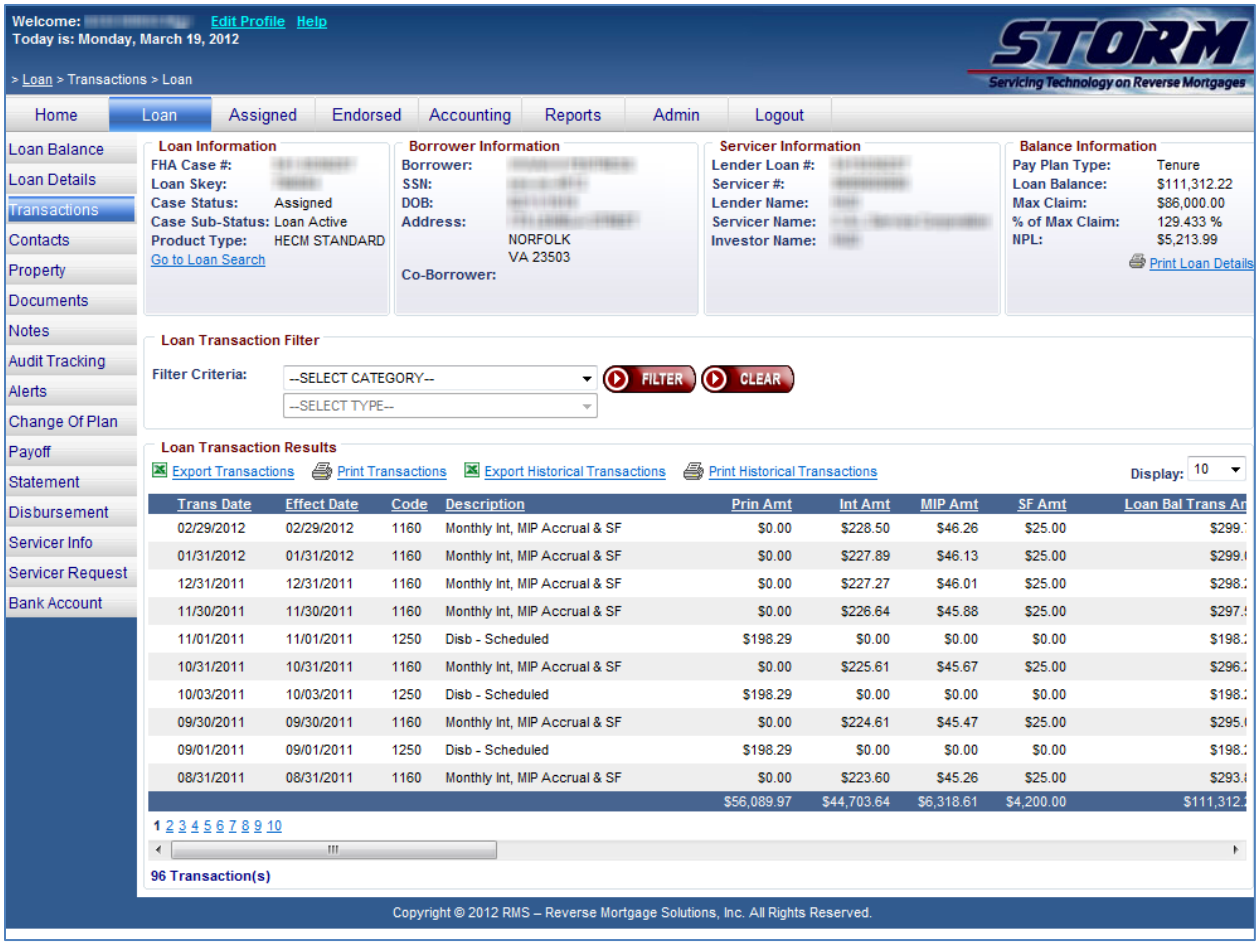


Figure 6-15: Transactions – Loan Screen

6.5.1.1 Transactions - Loan Filter Categories

The Loan Transaction Filter section of the Transactions - Loan screen allows authorized users to apply filters and view selected transactions within the selected transaction category. The transactions can be filtered by the following categories:

- Corporate Advances
- Disbursements
- Fees
- Closing costs
- Loan setup – Loan Balance
- Monthly Accruals
- Refunds
- Repayments
- Terminations
- Perform Adjustment of Initial MIP

The table below provides the list of data fields and descriptions displayed under the Transactions – Loan Filter section.

Field	Description
Trans Date	The date transaction is posted in the Servicing Module either manually or through B2G.
Effect Date	The date the payment was made by the previous/current Lender/Investor for the incurred expense (Example: The date payment was made to the contractor for lawn mowing or the date the Taxes were paid to the Tax Authority).
Code	A 4 digit unique transaction code assigned by the system for a specific transaction.
Description	Short description of the transaction.
Prin Amt	The principal amount associated with the transaction.
Int Amt	The interest amount associated with the transaction.
MIP Amt	The Mortgage Insurance Premium amount associated with the transaction (for pre-assigned transactions).
SF Amt	The Service fee amount associated with the transaction.
Loan Bal Trans Amt	Sum of principal, interest, MIP and service fee amount.
Corp Adv Amt	Transaction amount associated with the Corp Advance expense paid by the Lender/Investor (N/A for assigned loans).
%Recoverable	The percentage of the transaction amount that can be recovered by the Lender/Investor (for pre-assigned transactions).
Recoverable Amt	The transaction amount which is recoverable by the Lender/Investor for Corp Advance transactions (N/A for assigned loans).
Late Charge Amt	The late charge amount associated with the transaction.
Penalty Int Amt	The penalty interest associated with the transaction.
Trans Total	Sum of loan balance, late charge and penalty interest amount.
Lender	Lender associated with the loan.
Servicer	Servicer associated with the loan.
Investor	Investor/holder associated with the loan.
Incurred Date	This is the date the expense was incurred by the Lender/Investor (N/A for Assigned loans). Example: The date the lawn mowing service was completed or the date the taxes payments were missed/due. This field is required for the following transaction categories: • Corp Advance Sections 305, 306, 307, 308, 309, 310 and 409. • Corp Advance - Property Preservation
P & P Approved	This checkbox indicates whether the P&P transaction is approved by HUD (N/A for assigned loans).
One Time Expense	This checkbox indicates whether the P&P transaction is a one-time expense. One-time expenses are not added to the maximum allowable P&P limit (N/A for assigned loans).

Field	Description
Prev. Approved	This checkbox indicates whether the P&P transaction was previously approved (N/A for assigned loans).
Max. Approved	This checkbox indicates whether the P&P transaction amount is within the maximum allowable limit. HUD approval is not required if this box is checked (N/A for assigned loans).
Created By	The user name who initiated the transaction.
Create Date	The date and time the transaction is recorded in the system.

Table 6-1: Transactions - Loan Screen

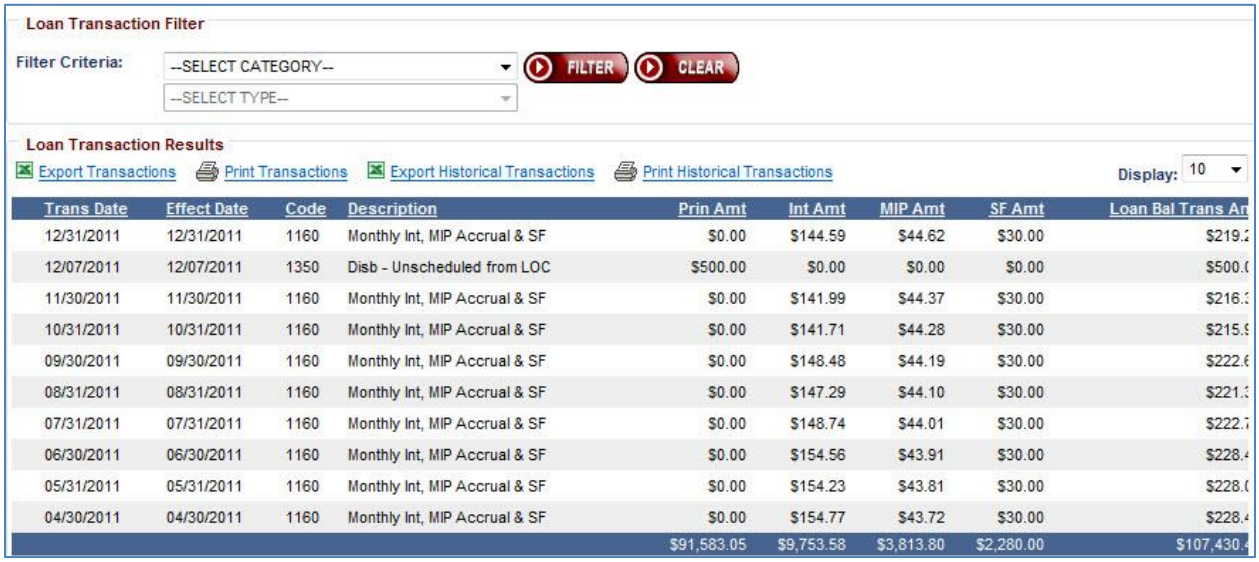
To filter the transactions by transaction category:

Step 1. Select the **Transaction Category** from the dropdown.

Step 2. Select the **Transaction Type** from the dropdown (if needed).

Step 3. Click **Filter** to view the filtered transactions under the **Loan Transactions Results** section. No results are displayed if no transactions match the filter criteria entered by the user.

Step 4. Click **Clear** to clear the selected filters and view all transactions.



Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans Am
12/31/2011	12/31/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$144.59	$44.62	$30.00	$219.
12/07/2011	12/07/2011	1350	Disb - Unscheduled from LOC	$500.00	$0.00	$0.00	$0.00	$500.
11/30/2011	11/30/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$141.99	$44.37	$30.00	$216.
10/31/2011	10/31/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$141.71	$44.28	$30.00	$215.
09/30/2011	09/30/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$148.48	$44.19	$30.00	$222.
08/31/2011	08/31/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$147.29	$44.10	$30.00	$221.
07/31/2011	07/31/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$148.74	$44.01	$30.00	$222.
06/30/2011	06/30/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$154.56	$43.91	$30.00	$228.
05/31/2011	05/31/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$154.23	$43.81	$30.00	$228.
04/30/2011	04/30/2011	1160	Monthly Int, MIP Accrual & SF	$0.00	$154.77	$43.72	$30.00	$228.
				$91,583.05	$9,753.58	$3,813.80	$2,280.00	$107,430.

Figure 6-16: Loan Transactions Filter and Results Section

6.5.1.2 Creating a New Loan Transaction

The table below lists the Transaction categories in the New Loan Transaction window for Assigned loans:

Transaction Category	Description
Repays	Transactions within this category are initiated by the servicer (on-behalf of a borrower) to repay a partial amount to reduce the current unpaid loan balance.

Transaction Category	Description
Terminate	Transactions within this category are initiated by the servicer to terminate a loan and provide a reason for termination.

Table 6-2: Transaction Categories

6.5.1.3 Repays

A partial repayment transaction is initiated by HUD NSC Contractor on behalf of a borrower to repay a partial amount to reduce the current unpaid loan balance. The system will not allow repayment amount same as payoff amount. For full repayment, terminate transaction must be used.

To perform a Repay transaction:

Step 1. Click **New** on the **Transactions - Loan** screen.

Step 2. On the **New Loan Transaction** window, select Repay from **Transactions Category** dropdown. The Transaction Type field automatically populates with the entry Part Repay – Reduce Loan Balance if the pay plan is not modified term or modified tenure.

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Type
- Effective Date
- Transaction Amount

Step 4. Click **Submit**. The Loan Balance field under the Balance Information section (header) reflects the updated loan balance. The new transaction is displayed in the **Loan Transaction Results** section. To exit the window without adding the transaction click **Cancel.**

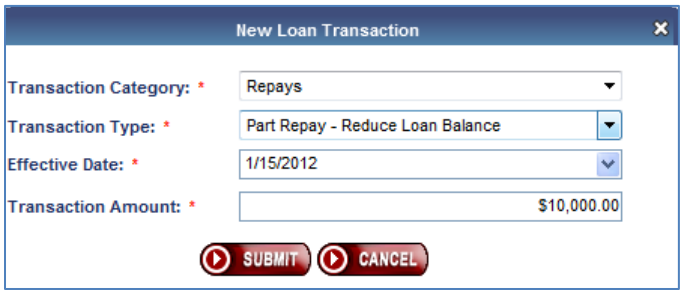


Figure 6-17: Repay Transaction Window

Step 5. To adjust the repay transaction, select the **document icon** beside the transaction, on the **Adjust Loan Transaction** window, click **Submit** to reverse the transaction.

Step 6. A new repay adjustment transaction is added and displayed under the **Loan Transactions Results** section reflecting the reversed amount.

The table below lists the Repay transactions that can be manually created using the New Loan Transactions window.

Transaction	Description
Partial Repay - Reduce Loan Balance	When the partial repayment transaction is complete, HUD NSC can view the updated (reduced) loan balance in the Loan Balance header. This transaction applies to all pay plan types.
Partial Repay - Increase CLSA + Reduce Loan Balance	When the partial repayment transaction is complete, HUD NSC can view the updated (reduced) unpaid loan balance and increases to the available line of credit. This transaction applies only to modified term and modified tenure pay plans.

Table 6-3: Repay Transactions

6.5.1.4 Termination

The Termination transaction is initiated by the HUD NSC Contractor to notify HUD of the termination of the HECM loan. Upon termination, the case status of the loan is updated to "Terminated" and loan balance is set to zero. The case sub status is updated based on the reason selected by the HUD NSC Contractor at the time of termination transaction.

To terminate a loan for a borrower:

Step 1. Click **New** on the **Transactions - Loan** screen.

Step 2. On the **New Loan Transaction** window, select Terminate from **Transactions Category** dropdown.

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Type
- Effective Date
- Transaction Amount

Step 4. Click **Submit**.

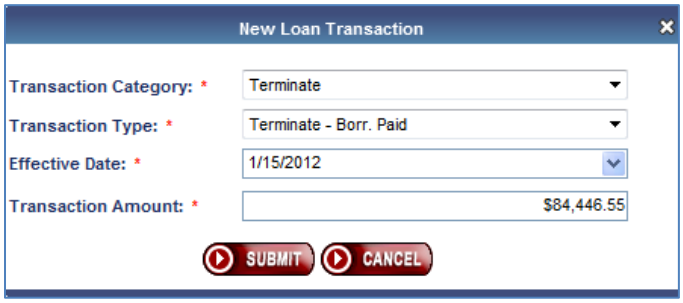


Figure 6-18: New Loan Transaction - Terminate

Step 5. A pop-up window is displayed requesting the user to confirm the action and notifying user that the case status will be updated to **Terminated**.

Step 6. Click **OK** on the pop-up window. The new transaction is displayed in the **Loan Transaction Results** section and case status and case sub status is updated. To exit the pop-up window without adding the transaction click **Cancel.**

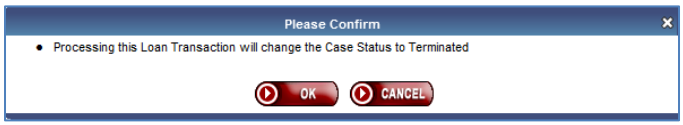


Figure 6-19: Confirmation Message

Step 7. To adjust the terminate transaction, select the **document icon** beside the transaction, on the **Adjust Loan Transaction** window, click **Submit** to reverse the transaction.

Step 8. A new terminate adjustment transaction is added and displayed under the **Loan Transactions Results** section reflecting the reversed amount.

The table below lists the Terminate transactions that can be manually created using the New Loan Transactions window.

Transaction	Description
Terminate – Borrower Paid	Initiated by HUD NSC Contractor to terminate the loan if the borrower paid off the loan in full. The pay-off amount will be treated as a COLLECTION by HUD. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type.
Terminate – Borrower Moved	Initiated by HUD NSC Contractor to terminate the loan if the borrower moved out of the mortgaged property. The pay-off amount will be treated as a COLLECTION by HUD. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type.
Terminate – Death	Initiated by HUD NSC Contractor to terminate the loan if the last surviving borrower has died. The pay-off amount will be treated as a COLLECTION by HUD. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type.
Terminate – DIL Conveyed	Initiated by HUD NSC Contractor once HUD owns the deed of the mortgaged property in lieu of foreclosure. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type.
Terminate – FCL Conveyed	Initiated by HUD NSC Contractor to terminate the loan after the mortgaged property is foreclosed. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type.
Terminate – REO/3rd Party FCL Sale (PIF)	Initiated by HUD NSC Contractor to terminate a loan due to a third-party sale of the property via foreclosure sale when the proceeds are sufficient to pay off outstanding mortgage debt in full. No claim will be filed. The pay-off amount will be treated as a COLLECTION by HUD.
Terminate – Short Sale (PIF W/Write –Off)	Initiated by HUD NSC Contractor to terminate the loan when a short sale is initiated by HUD via foreclosure. The pay-off amount will be treated as a COLLECTION by HUD.

Transaction	Description
Terminate – Full Write-Off	Initiated by HUD NSC Contractor (upon approval from HUD NSC) to terminate the loan with full write-off. The pay-off amount will be treated WRITTEN OFF by HUD.
Terminate – Other	Initiated by HUD NSC Contractor to terminate the loan for other reasons not included in the Termination transactions above. **Note:** If the pay-off amount is not within the overage or shortage threshold limit set by HUD, system will not allow the termination of the loan for this termination type. The pay-off amount will be treated as a COLLECTION by HUD.

Table 6-4: Terminate Transactions

6.5.1.5 Balance Adjustments

The Balance Adj button enables the authorized user to correct the loan balance. Only an authorized role with this permission enabled can perform this function.

To perform a Balance adjustment of a loan:

Step 1. Click **Balance Adj.** on the **Transactions - Loan** screen.

Step 2. On the **Adjust Loan Transaction** window, enter the amounts in the Correct Amount column.

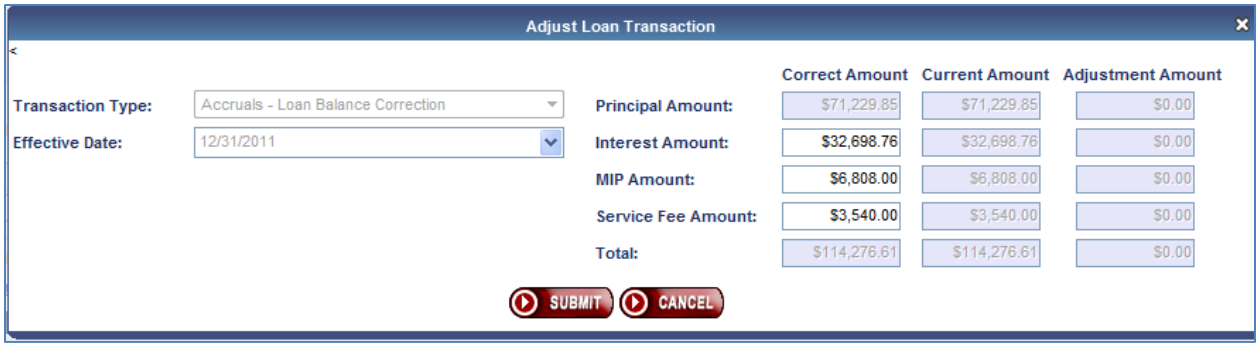


Figure 6-20: Adjust Loan Balance Window

Step 3. Click **Submit**. A new transaction "Accruals – Loan Balance Correction" is added reflecting the corrected amounts under the Loan Transactions Results section.

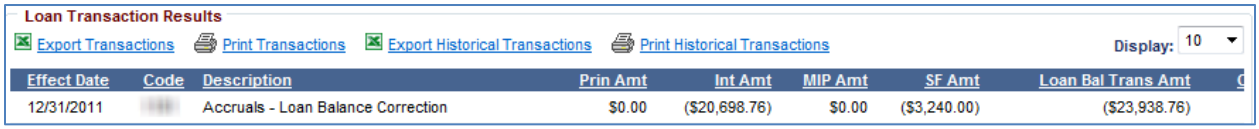


Figure 6-21: Loan Balance Adjustment Transaction

6.5.1.6 Write-off

The Write-off button enables the authorized user to perform a partial write-off. Only authorized roles with this permission enabled can perform this function. To perform a partial write-off:

Step 1. Click **Write-off** on the **Transactions - Loan** screen.

Step 2. On the **Write-off** window, enter the amounts in the following fields:

- Principal

- Interest
- MIP
- Service Fee
- Corp Advance

Step 3. Click **Submit**. This will create the partial write-off transaction.

Step 4. A new transaction, Write-Off - Manual, is added reflecting the updated amounts under the **Loan Transactions Results** section.

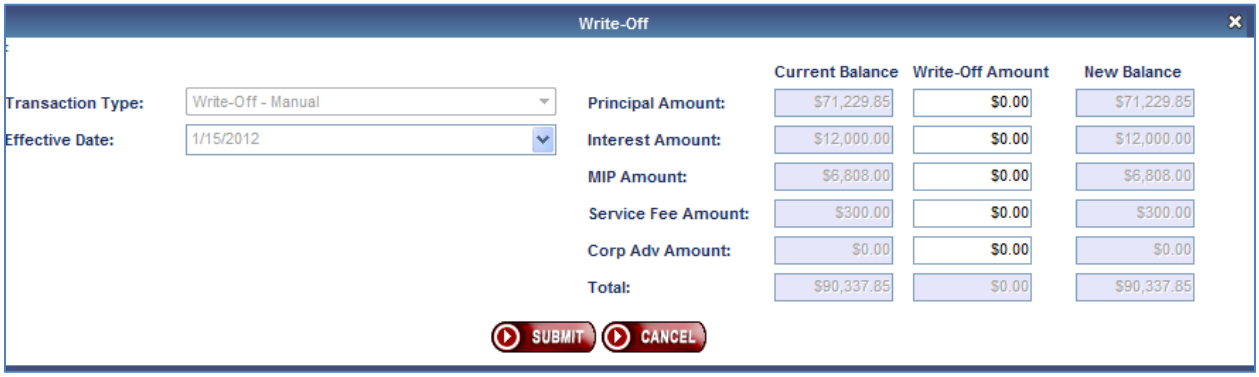


Figure 6-22: Write-off Transaction Window

Step 5. To adjust the transaction, select the **document icon** beside the transaction on the Adjust Loan Transaction window and click **Submit** to reverse the transaction.

Step 6. A new transaction, Write-Off - Manual Adj, is added and displayed under the **Loan Transactions Results** section reflecting the reversed amount.

6.5.2 Transactions - Growth

This screen displays the growth transactions associated with line of credit, principal limit and unscheduled line of credit disbursements. This screen allows the authorized user to filter and view specific growth transactions within a transaction category. The growth transactions are automatically initiated by the system.

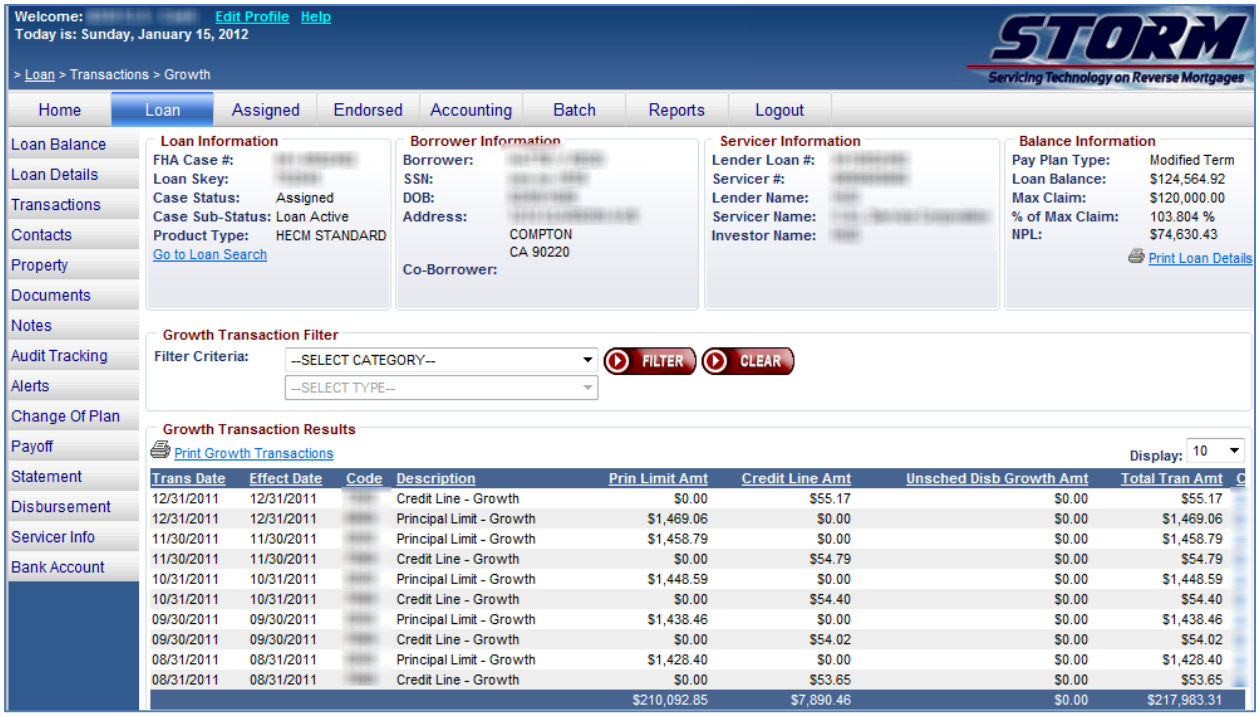


Figure 6-23: Transactions - Growth

The table below lists the Growth transactions that are automatically initiated by the system.

Transaction	Description
Credit Line Transactions	Transactions generated for loans which have an available line of credit for borrower.
Credit Line Original – Setup	This transaction is generated in Servicing Module when certain amount is set aside from line of credit. This transaction is generated for pay plan types Modified Tenure and Modified Term.
Credit Line Original - Setup Adj	This transaction is an adjustment/reversal of transaction 'Credit Line Original - Setup'.
Credit Line – Growth	This transaction is generated in Servicing Module to depict the monthly Line of credit growth.
Credit Line - Growth Adj	This transaction is an adjustment/reversal of transaction 'Credit Line - Growth'.
Credit Line - Change Of Plan Adj	This transaction is generated in Servicing Module when a change of payment plan occurs. This transaction is generated when there is a change of payment plan from Modified Tenure to Modified Term or vice-versa.
Principal Limit Transaction	Transaction generated for all loans to depict the monthly Principal limit changes.
Principal Limit Original – Setup	This transaction is generated in Servicing Module when the original principal limit is setup during the loan setup.
Principal Limit Original - Setup Adj	This transaction is an adjustment/reversal of transaction 'Principal Limit Original - Setup'.
Principal Limit – Growth	This transaction is generated in Servicing Module to depict the monthly

Transaction	Description
	principal limit growth.
Principal Limit - Growth Adj	This transaction is an adjustment/reversal of transaction 'Principal Limit - Growth'.
Unscheduled Credit Line Disbursement Transaction	Transactions generated for loans eligible for unscheduled line of credit disbursements.
UnSch LOC Disb - Int & MIP Accrual	This transaction is generated in Servicing Module to display the interest and MIP accruals on an unscheduled disbursements taken from available line of credit. This is applicable for pay plan types Modified Tenure and Modified Term.

Table 6-5: Growth Transactions

6.5.2.1 Transactions – Growth Filter

The Growth Transaction Filter section allows the authorized user to view the transactions according to the filter criteria selected.

To filter the transactions by transaction category:

Step 1. Select the **Transaction Category** from the dropdown.

Step 2. Select the **Transaction Type** from the dropdown (if needed).

Step 3. Click **Filter** to view the filtered transactions under the **Growth Transactions Results** section. No results are displayed, if no transactions match the filter criteria entered by the user.

Step 4. Click **Clear** to clear the selected filters and view all transactions.

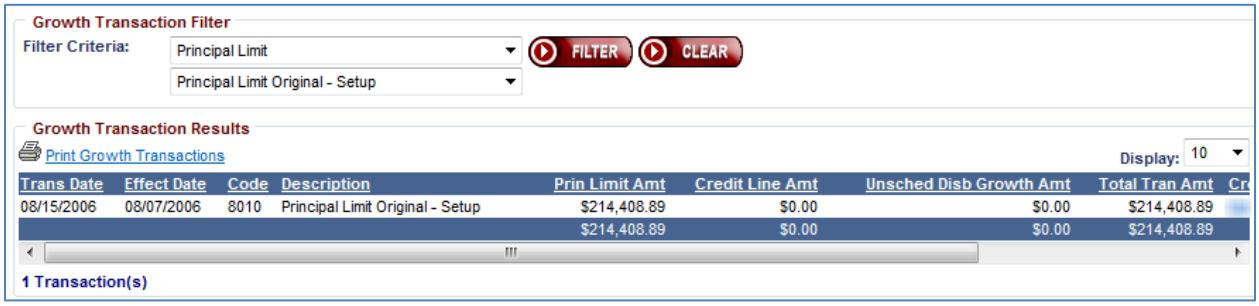


Figure 6-24: Growth Transactions Filter and Results Section

6.5.3 Transactions - Set Asides

This screen displays all the Set Aside transactions associated with the loan. This screen allows the user to perform the following functions:

Step 1. **Set Aside Transaction Filter**: This allows the user to filter and view specific transactions within a transaction category.

Step 2. **New Transactions**: This allows the authorized user with the ability to add set aside transactions on the Loan.

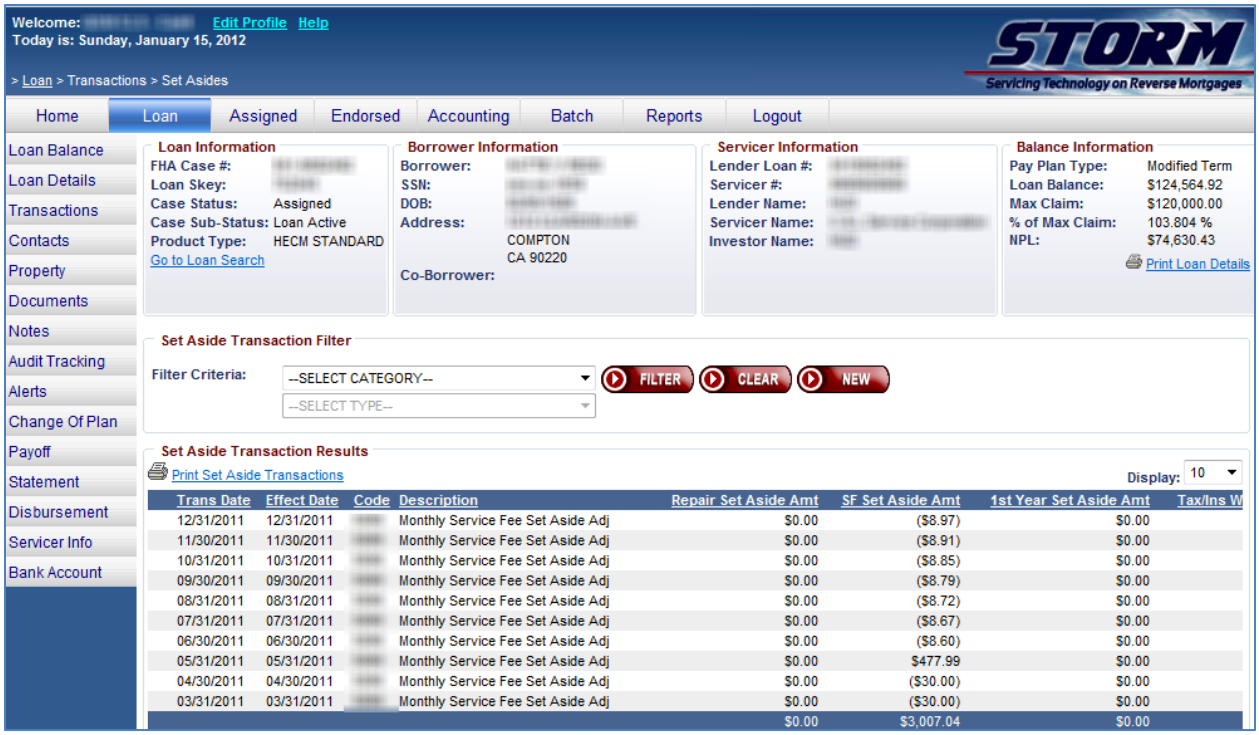


Figure 6-25: Transactions - Set Aside

6.5.3.1 Transactions – Set Aside filter

The Set Aside Transaction Filter section allows the authorized user to view the transactions according to the filter criteria selected.

To filter the transactions by transaction category:

Step 1. Select the **Transaction Category** from the dropdown.

Step 2. Select the **Transaction Type** from the dropdown (if needed).

Step 3. Click **Filter** to view the filtered transactions under the **Set Aside Transactions Results** section. No results are displayed if no transactions match the filter criteria entered by the user.

Step 4. Click **Clear** to clear the selected filters and view all transactions.

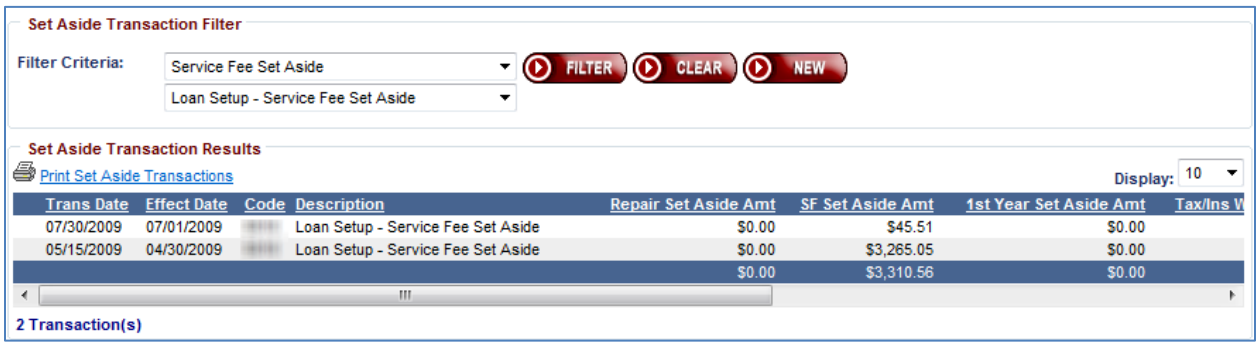


Figure 6-26: Set Aside Transactions Filter and Results Section

6.5.3.2 Creating a New Set Aside Transaction

The New button allows the authorized user to add Set Aside transactions. The following transactions can be initiated manually by the user:

- 1st Yr Taxes & Ins – Setup
- Repair Set Aside – Setup
- Loss Draft – Setup

6.5.3.3 1st Yr Taxes and Ins - Setup

This transaction is initiated by the HUD NSC Contractor when an amount is set aside for payment of Taxes and Insurance on the mortgaged property. This transaction can be applied to all pay plans.

To create a 1st Yr Taxes and Ins Set Aside transaction:

Step 1. Click **New** on the **Transactions – Set Aside** screen.

Step 2. On the **New Set Aside Transaction** window, select 1st Yr Taxes & Ins – Setup from the **Transaction Type** dropdown.

Step 3. Populate the below listed required fields (marked with red asterisk):
- Effective Date
- Transaction Amount

Step 4. Click **Submit**. The new transaction is displayed in the **Set Aside Transaction Results** section. To exit the window without adding the transaction click **Cancel.**

Figure 6-27: Set Aside - Taxes & Insurance Transaction

Step 5. To adjust the Set Aside transaction, select the **document icon** beside the transaction, on the **Adjust Set Aside Transaction** window, enter the transaction amount and click **Submit** to adjust the transaction.

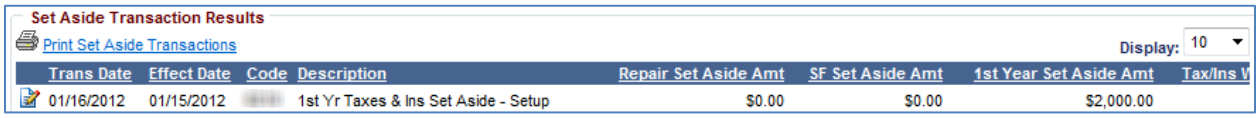


Figure 6-28: Document Icon Beside Set Aside Transaction

Step 6. A new 1st Yr Taxes & Ins – Setup Adj transaction is added and displayed under the **Set Aside Transactions Results** section reflecting the adjusted amount.

Figure 6-29: 1st Year Taxes & Ins. Set Aside Adjustment Transaction

6.5.3.4 Repair Set Aside- Setup

This transaction is initiated by the HUD NSC Contractor when an amount is set aside for any repairs on the mortgaged property, this transaction will be used for loans converted from HUD's legacy system (SMART) with repair set aside amount greater than zero dollars. For the loans where repairs are initiated in the Servicing Module, Loss Draft Set Aside transaction will be used. This transaction can be applied to all pay plans.

To create a Repair Set Aside transaction:

Step 1. Click **New** on the **Transactions – Set Aside** screen.

Step 2. On the **New Set Aside Transaction** window, select Repair Set Aside – Setup from the **Transaction Type** dropdown.

Step 3. Populate the below listed required fields (marked with red asterisk):
- Effective Date
- Transaction Amount

Step 4. Click **Submit**. The new transaction is displayed in the **Set Aside Transaction Results** section. To exit the window without adding the transaction click **Cancel.**

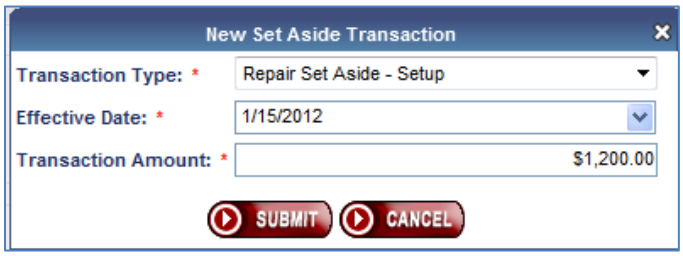


Figure 6-30: Set Aside - Repair Transaction Window

Step 5. To adjust the Set Aside transaction, select the **document icon** beside the transaction, on the **Adjust Set Aside Transaction** window, enter the transaction amount and click **Submit** to adjust the transaction.

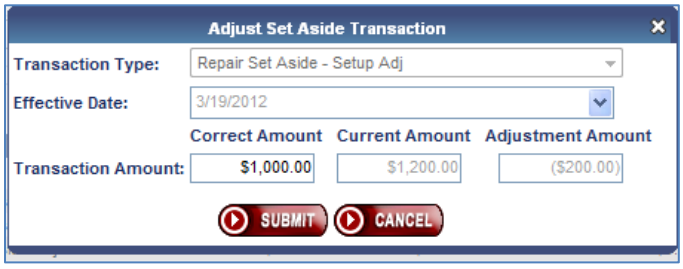
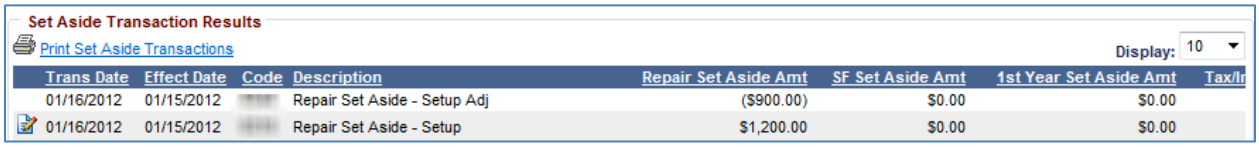


Figure 6-31: Adjust Set Aside Transaction Window

Step 6. A new Repair Set Aside – Setup Adj transaction is added and displayed under the **Set Aside Transactions Results** section reflecting the adjusted amount.



Trans Date	Effect Date	Code	Description	Repair Set Aside Amt	SF Set Aside Amt	1st Year Set Aside Amt	Tax/In
01/16/2012	01/15/2012		Repair Set Aside - Setup Adj	($900.00)	$0.00	$0.00	
01/16/2012	01/15/2012		Repair Set Aside - Setup	$1,200.00	$0.00	$0.00	

Figure 6-32: Repair Set Aside Adjustment Transaction

6.5.3.5 Loss Draft Set Aside- Setup

This transaction is initiated by the HUD NSC Contractor when a hazard insurance claim payment is received from the mortgagor or the hazard insurance company. The insurance proceeds are placed into the set-aside account to be disbursed based on appropriate documentation received. This transaction can be applied to all pay plans.

To create a Loss Draft Set Aside transaction:

Step 1. Click **New** on the **Transactions – Set Aside** screen.

Step 2. On the **New Set Aside Transaction** window, select Loss Draft – Setup from the **Transaction Type** dropdown.

Step 3. Populate the below listed required fields (marked with red asterisk):
- Effective Date
- Transaction Amount

Step 4. Click **Submit**. The new transaction is displayed in the **Set Aside Transaction Results** section. To exit the window without adding the transaction click **Cancel.**

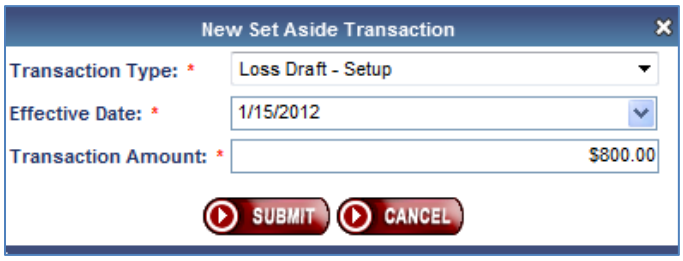


Figure 6-33: Set Aside - Repair Transaction Window

Step 5. To adjust the Set Aside transaction, select the **document icon** beside the transaction, on the **Adjust Set Aside Transaction** window, enter the transaction amount and click **Submit** to adjust the transaction.

Step 6. A new Loss Draft – Setup Adj transaction is added and displayed under the **Set Aside Transactions Results** section reflecting the adjusted amount.

6.5.4 Transactions - Claims

This screen displays the claims transactions associated with claim submissions. This screen allows the user to filter and view specific claim transactions within a transaction category. The claim transactions are automatically initiated by the system when a claim is approved by HUD. Only transactions associated with Claim Type 22 are applicable for Assigned loans.

The table below lists the Claim transactions that are automatically initiated by the system.

Transaction	Description
Claim Type 21 - FCL/DIL	This transaction is automatically initiated by the Servicing Module upon approval of Claim Type 21 by HUD.
Claim Type 22 - Optional Assignment	This transaction is automatically initiated by the Servicing Module upon auto-approval of Claim Type 22.
Claim Type 23 - Mortgagor Sale	This transaction is automatically initiated by the Servicing Module upon approval of Claim Type 23 by HUD.

Transaction	Description
Claim Type 21 – Supplemental	This transaction is automatically initiated by the Servicing Module upon approval of Claim Type 24 by HUD provided the initial claim is a Claim Type 21.
Claim Type 23 – Supplemental	This transaction is automatically initiated by the Servicing Module upon approval of Claim Type 24 by HUD provided the initial claim is a Claim Type 23.
Claim Type 22 - Funds Due HUD	Automatically initiated by the Servicing Module upon denial of assignment (Claim Type 22 post preliminary title approval and pre final title approval) by HUD. The transaction is initiated to recover the advances made previously by HUD.
Interest on HUD Advances	Automatically initiated by the Servicing Module upon denial of Assignment (Claim Type 22 post preliminary title approval and pre final title approval) by HUD. The transaction is initiated to recover the interest amount on the advances made previously by HUD.
Claim Type 22 – Repurchase	For assigned loans, this transaction is automatically initiated by the Servicing Module upon approval of Assignment Repurchase by HUD.
Claim Type 22 - Repurchase Adj	Automatically initiated by the Servicing Module if there is a difference in payoff amount between the date HUD approved repurchase and servicer authorized the repayment transaction.

Table 6-6: Claims Transactions

6.5.5 Notes Collections

This section explains the notes collection processing in HERMIT (Servicing and Accounting Modules) system.

1. The Servicing Module generates the notes receivable transaction when the collection transactions are initiated in the system by the HUD NSC Contractor for Assigned loans (for example: Payoff). The loan balance is adjusted in the system. These FHA cases are sent to the Accounting Module via an interface file.
2. The Servicing Module assigns a batch ID and batch status for the notes receivable request to track the status. Once the file is generated and sent to the Accounting Module, the batch status (Sent to GL) is updated to indicate that the transaction has been sent to the Accounting Module.
3. The Accounting Module processes the file, records the receivable transactions and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success).
4. The HUD NSC Contractor generates the notes collection transactions report (based on transaction date) from the Accounting Transmittals screen in the Servicing Module.
5. The HUD NSC Contractor scans checks received and enters other pertinent data into Treasury's Paper Check Conversion Over the Counter (PCC-OTC) application. Upon completion, a daily PCC-OTC collections report is generated.
6. The PCC-OTC daily collections report is reconciled to the Servicing Module daily collections transactions report. This validation confirms that all transactions entered to the Servicing Module were also scanned into PCC-OTC and that all applicable dollar amounts match.

7. Treasury PCC-OTC processes collections. Treasury submits the collection through the Federal Reserve and the payer bank account is debited.

6.6 Contacts

The Contact screen is displayed when a user selects the Contacts tab from the menu on the left side of the screen. This screen displays the borrower, co-borrower and non borrowing spouse information received from CHUMS at the time of loan setup. In addition, the screen enables authorized users to add new contacts other than borrower and co-borrower, edit existing contact information, and delete a contact. The screen also enables user to deactivate a non borrowing spouse, if available.

The Contacts screen displays the following sections:

- Header section – Loan/Borrower/Servicer/Balance Information
- New button
- Contacts

6.6.1 Viewing a Contact

To view a contact:

Step 1. Click a **Contact Type** displayed under the **Contact Information** section.

Step 2. The Mailing Information, Other Information and Audit Information of the selected contact are displayed below the contact.

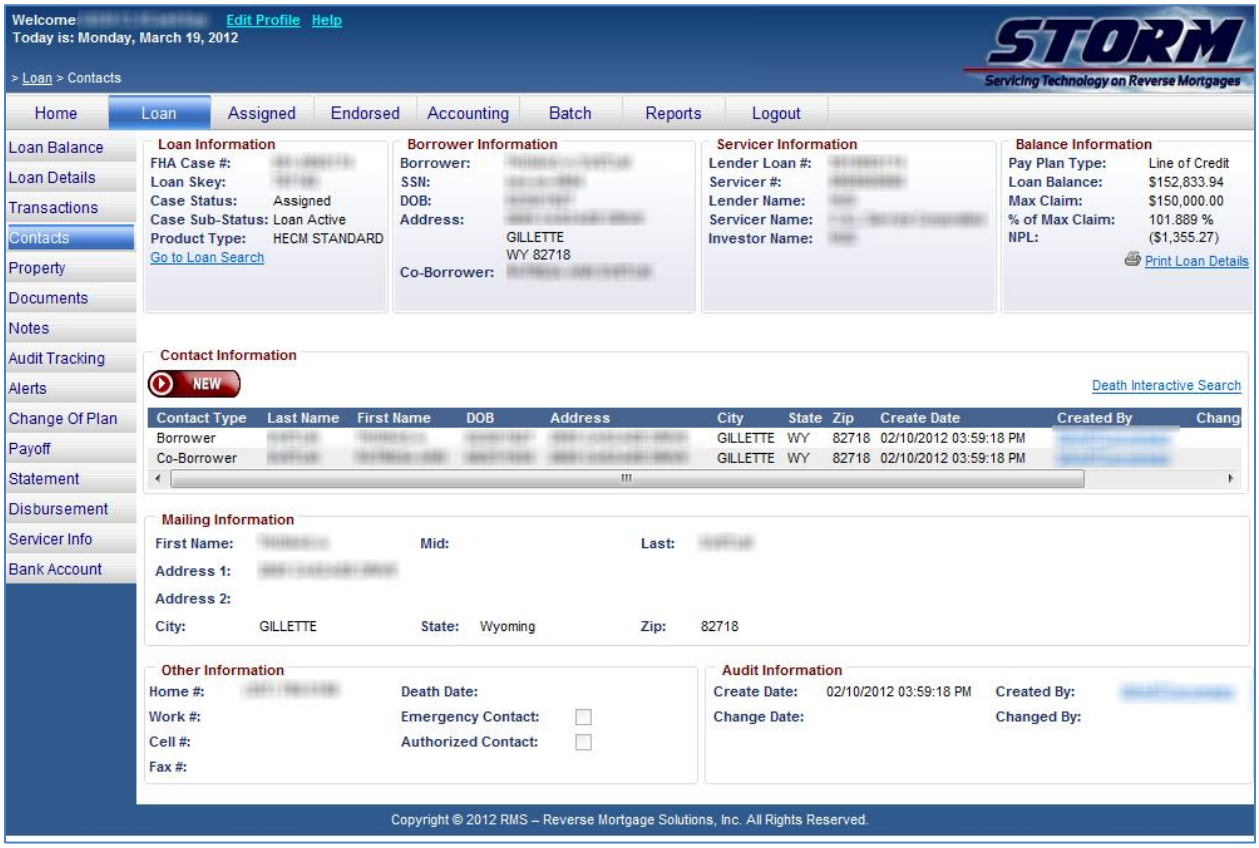


Figure 6-34: View Contact Information Screen

6.6.2 Adding a Contact

To add a contact:

Step 1. Click **New** in the **Contact Information** section.

Step 2. On the **Contact Info** window, populate the fields as needed (fields marked with red asterisk must be populated). Selecting the button Same as Contact Address will auto-fill the contact name and address from the Contact Name & Address section to the Contact Mailing Info section.

Step 3. Click **Submit** to save the changes. The new contact is displayed under the Contact Information section. To exit the window without saving the changes click **Cancel**.

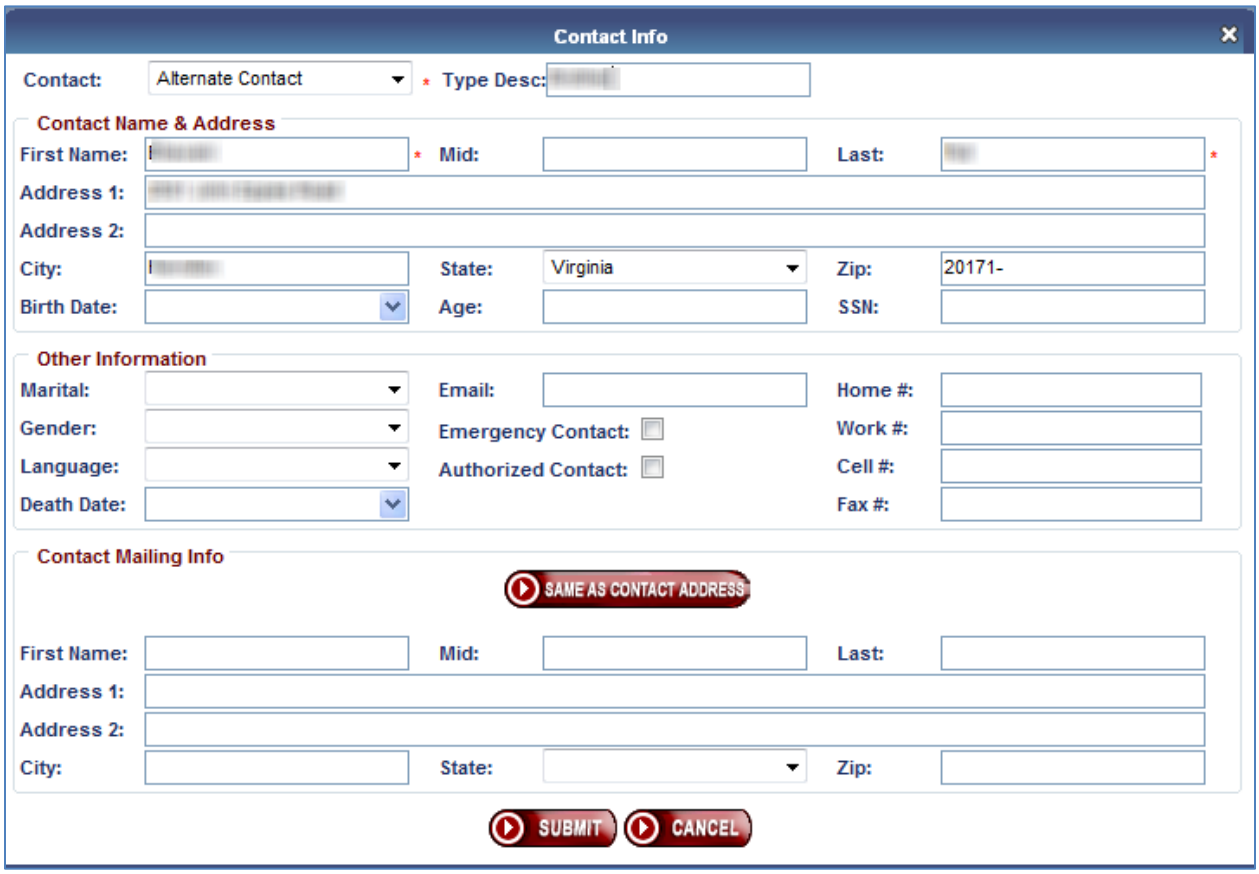


Figure 6-35: Add Contact Information Window

6.6.3 Editing a Contact

To edit a contact:

Step 1. Click the **document icon** beside the contact type in the **Contact Information** section.

Step 2. On the **Contact Info** window, edit the fields as needed (fields marked with red asterisk must be populated).

Step 3. Click **Submit** to save the changes. The updated information is displayed under the **Contact Information** section. To exit the window without saving the changes click **Cancel.**

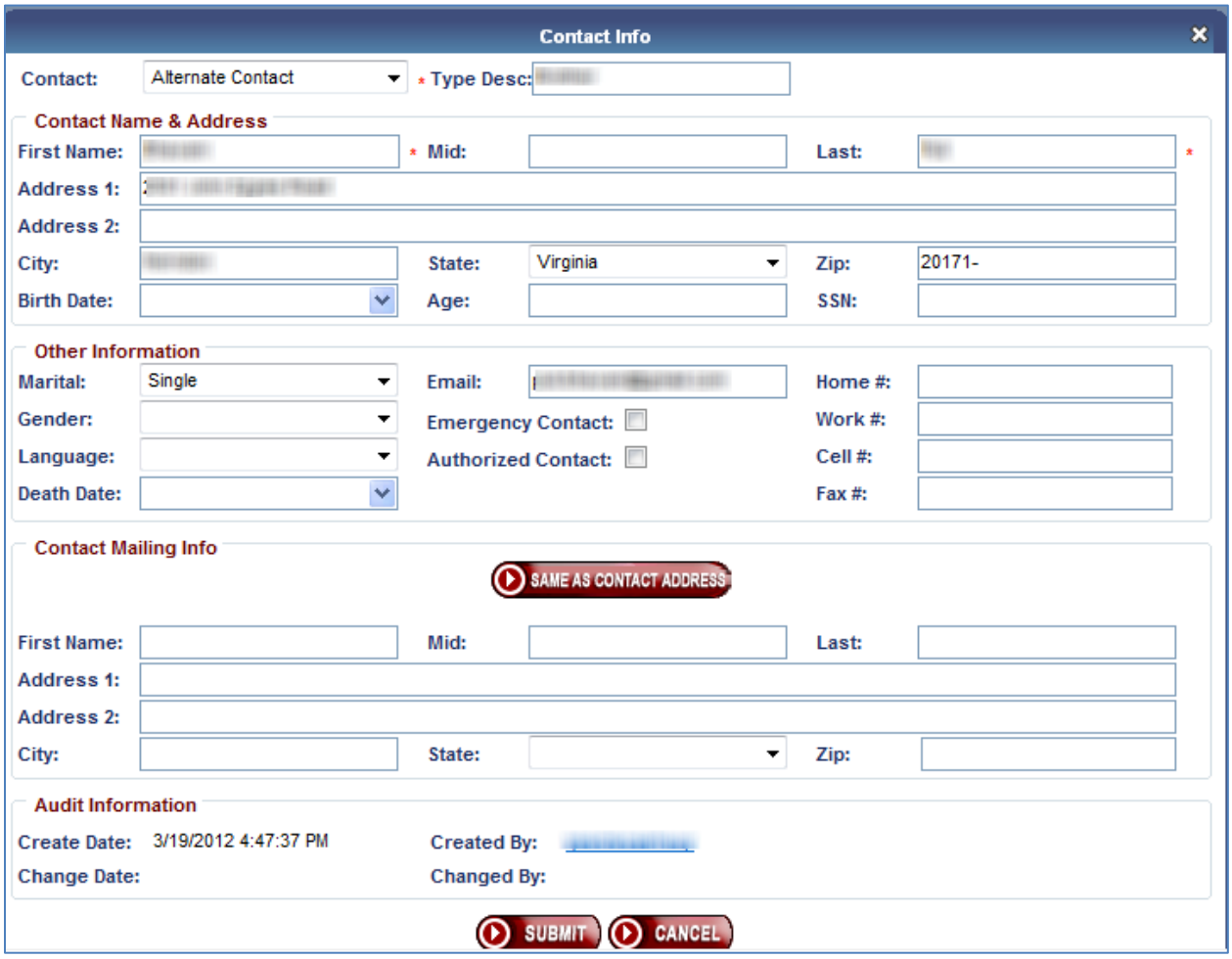


Figure 6-36: Edit Contact Information Window

6.6.4 Deleting a Contact

To delete a contact:

Step 1. Click the **cross icon** beside the contact type in the **Contact Information** section.

Step 2. A pop-up window is displayed requesting the user to confirm the action.

> The contact information of the Borrower and Co-Borrower Contact Type cannot be deleted.

Step 3. Click **OK** on the pop-up window, the selected contact will be deleted**.** To exit the message window without deleting a contact select **Cancel.**

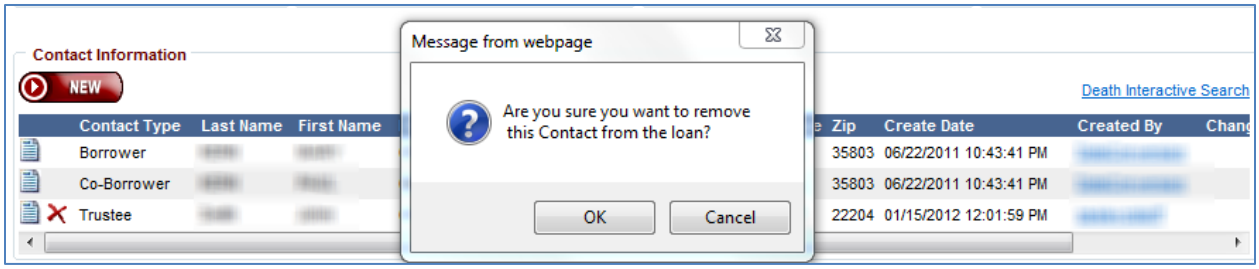


Figure 6-37: Delete Contact Information

6.6.5 Deactivating a Non Borrowing Spouse

To deactivate a non borrowing spouse:

Step 1. Click the **document icon** beside the contact type Non-Borrowing Spouse in the **Contact Information** section.

Step 2. On the Contact Info window, select the Deactivate box.

(Note: In the event of the death of a NBS, entering the death date will cause the NBS to become inactive)

Step 3. Click **Submit** to save the changes. The updated information is displayed under the **Contact Information** section. To exit the window without saving the changes click **Cancel**.

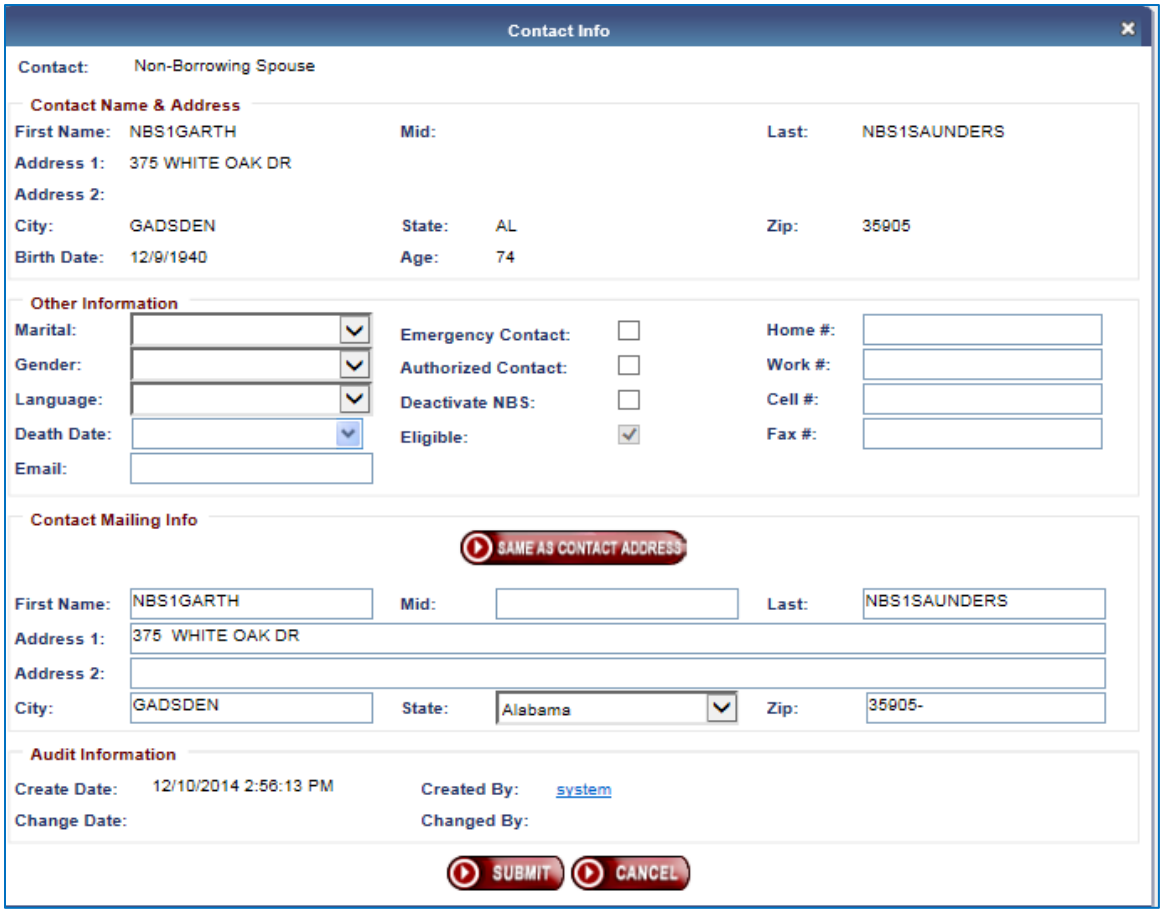


Figure 6-38: Deactivate a Non Borrowing Spouse

6.7 Property

The Property screen is displayed when a user selects the Property tab from the menu on the left side of the screen. This tab has two sub-menu options:

- Property Info
- Property Values

6.7.1 Property Info

This screen displays the property details received from CHUMS at the time of loan setup. In addition, the screen allows authorized users to edit property details, upload or delete a property photo. The Property Information screen displays the following sections:

- Header section - Loan/Borrower/Servicer/Balance Information
- Property Details
- Audit Information
- Property Photo
- Property Location
- Local Statistics

The screen also displays the following links:

- **View Property Values** – This link navigates the user to the Property Values screen.
- **View Property Location** – This link activates the Google map to view the Property Location.
- **View Local Statistics** – This link activates the Local Statistics from Zillow associated with the property zip code.

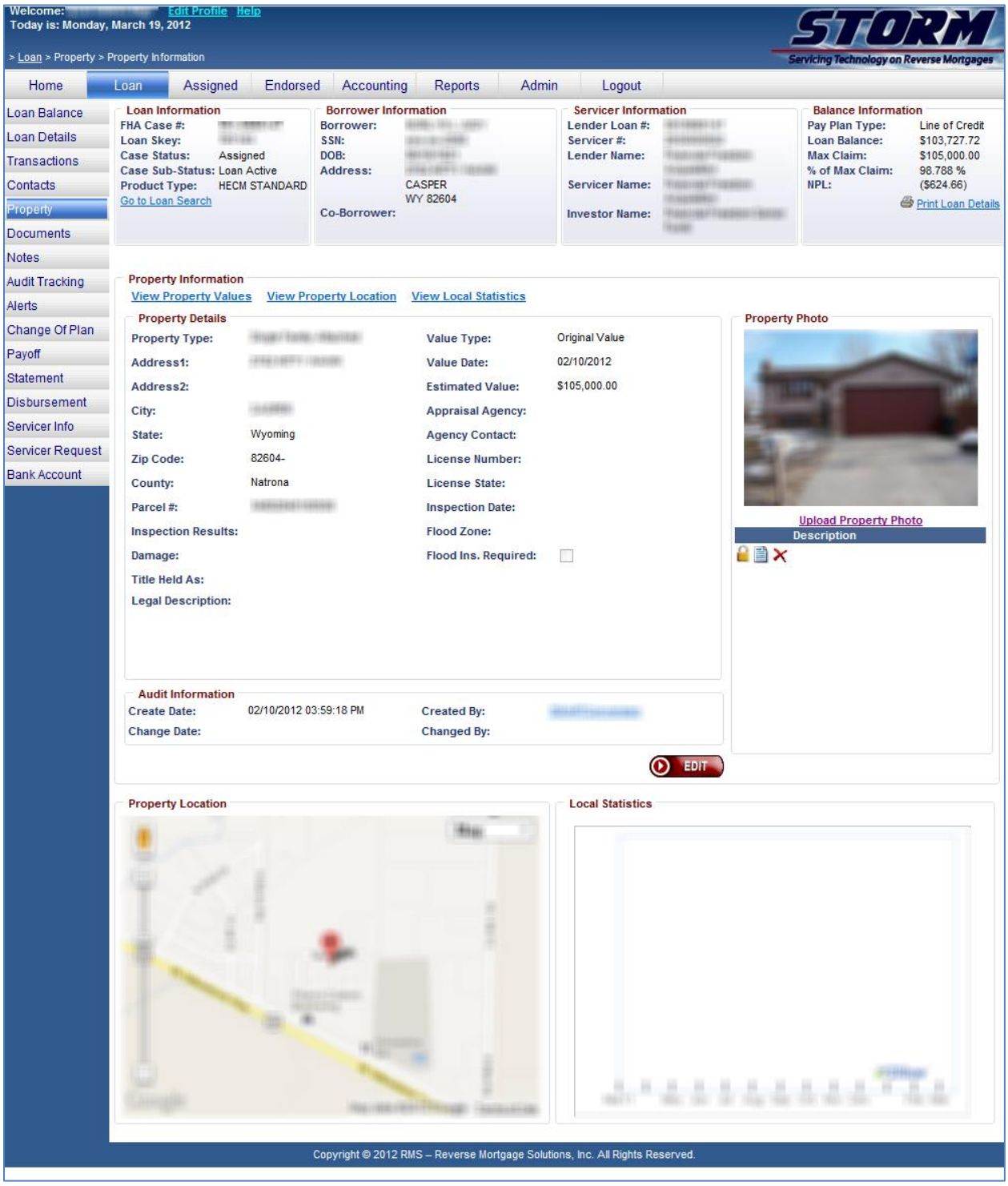


Figure 6-39: Property Information Screen

6.7.1.1 Editing Property Info

To edit the fields in the Property Details section:

Step 1. Click **Edit** in the **Property Details** section on the **Property Information** screen.

Step 2. On the **Edit Property Info** window, edit the fields.

Step 3. When Damage value is selected, the **Damage Date** and **Damage Amounts** are required.

Step 4. Click **Submit** to save the changes. The updated information is displayed under the **Property Details** section. To exit the window without saving the changes click **Cancel.**

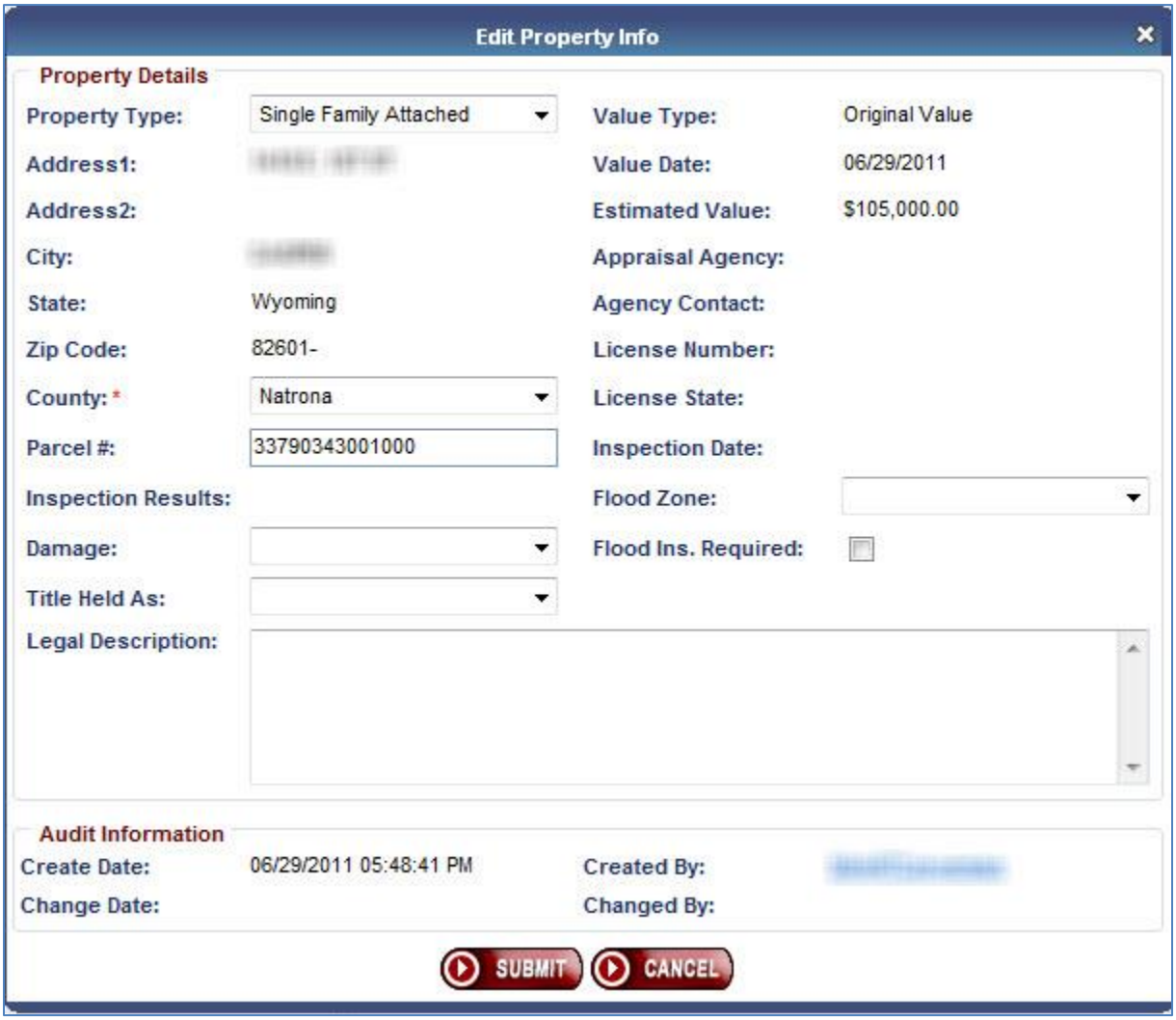


Figure 6-40: Edit Property Info Window

6.7.1.2 Uploading a Property Photo

To add a Property Photo:

Step 1. Click the **Upload Property Photo** link on the **Property Photo** section.

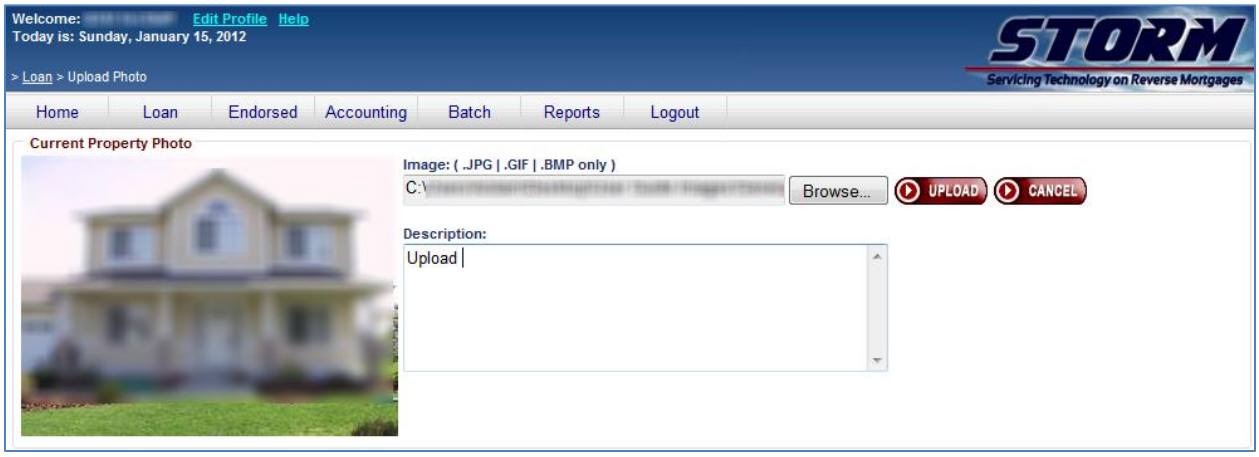


Figure 6-41: Upload Property Photo

Step 2. A new window is displayed with the upload option. Only images with .JPG, .GIF, and .BMP file extensions can be uploaded.

Step 3. Click **Browse**.

Step 4. Select the image to upload and click **Open.**

Step 5. Enter description in the **Description** field (optional).

Step 6. Click **Upload** to save the property photo. To exit the screen without uploading click **Cancel**.

6.7.1.3 Editing the Description for a Property Photo

To edit the property photo description:

Step 1. Click the **document icon** below the Description field under the **Property Photo** section.

Step 2. On the **Edit Property Description** window, edit the description field and click **OK** to save the changes. To exit the screen without saving the description click **Cancel**.

Figure 6-42: Edit Property Description Window

6.7.1.4 Deleting a Property Photo

To delete a property photo:

Step 1. Click the **cross icon** below the Description field under the **Property Photo** section.

Step 2. A pop-up window is displayed requesting the user to confirm the action. Click **OK** on the pop-up window; the photo and description will be deleted. To exit the pop-up window without deleting the photo click **Cancel.**

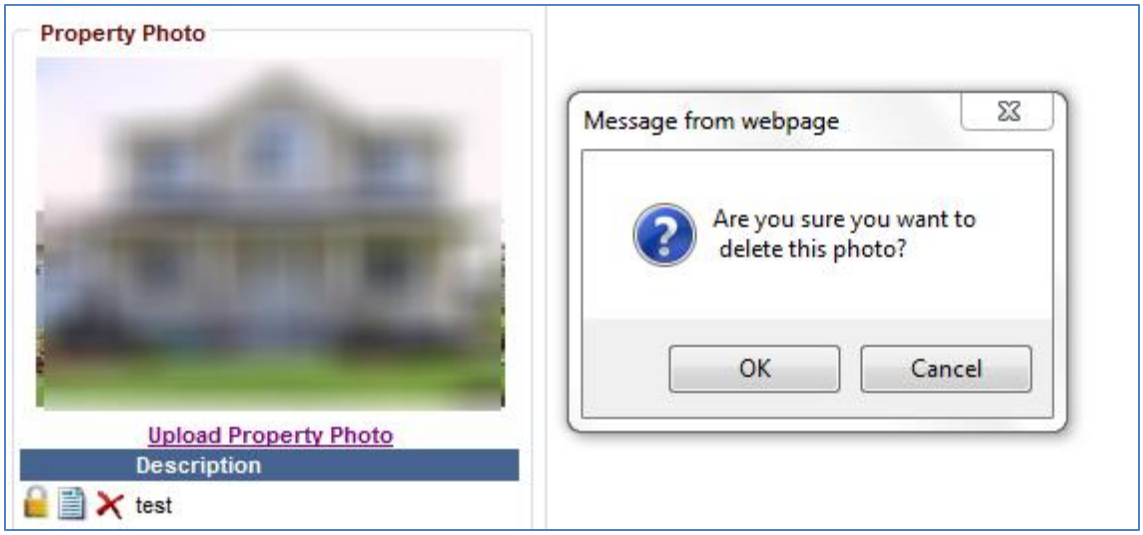


Figure 6-43: Delete Property Photo Window

6.7.2 Property Values

This screen displays the property values received from CHUMS at the time of loan setup (indicated by value type of Original Value). In addition, the screen allows authorized users to add new property values and edit or delete the property values that were previously added. The Property Values screen displays the following data sections:

- Header section - Loan/Borrower/Servicer/Balance Information
- New button
- Property Values

6.7.2.1 Viewing Property Values

The Property Values are displayed as individual rows for each value. Scroll the horizontal bar to view additional details on the property value.

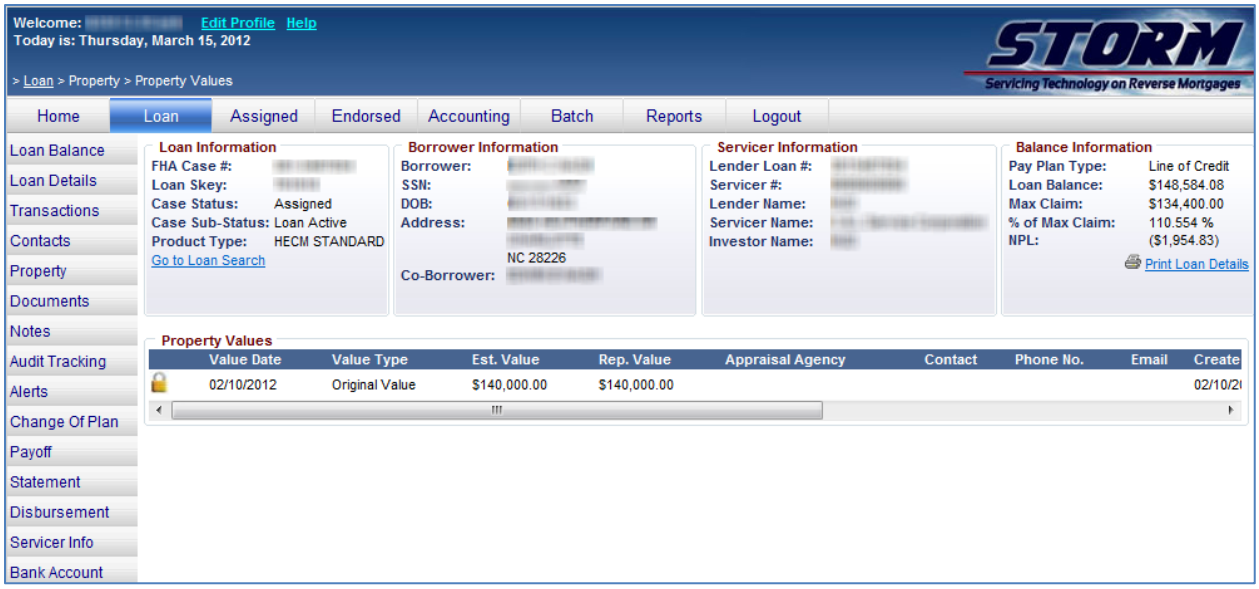


Figure 6-44: View Property Values Screen

6.7.2.2 Adding a New Property Value

To add a Property Value:

Step 1. Click **New** in the **Property Values** section.

Step 2. On the **Property Value** window, populate the fields (fields marked with red asterisk must be populated).

Step 3. Click **Submit** to save the changes. The new property value is displayed under the **Property Values** section. To exit the window without saving the changes click **Cancel.**

Figure 6-45: Adding a New Property Value Window

6.7.2.3 Editing a Property Value

To edit a Property Value:

Step 1. Click the **document icon** beside the value type in the **Property Values** section.

Step 2. On the **Property Value** window, edit the fields (fields marked with red asterisk must be populated).

Step 3. Click **Submit** to save the changes. The updated property value is displayed under the **Property Values** section. To exit the window without saving the changes click **Cancel.**

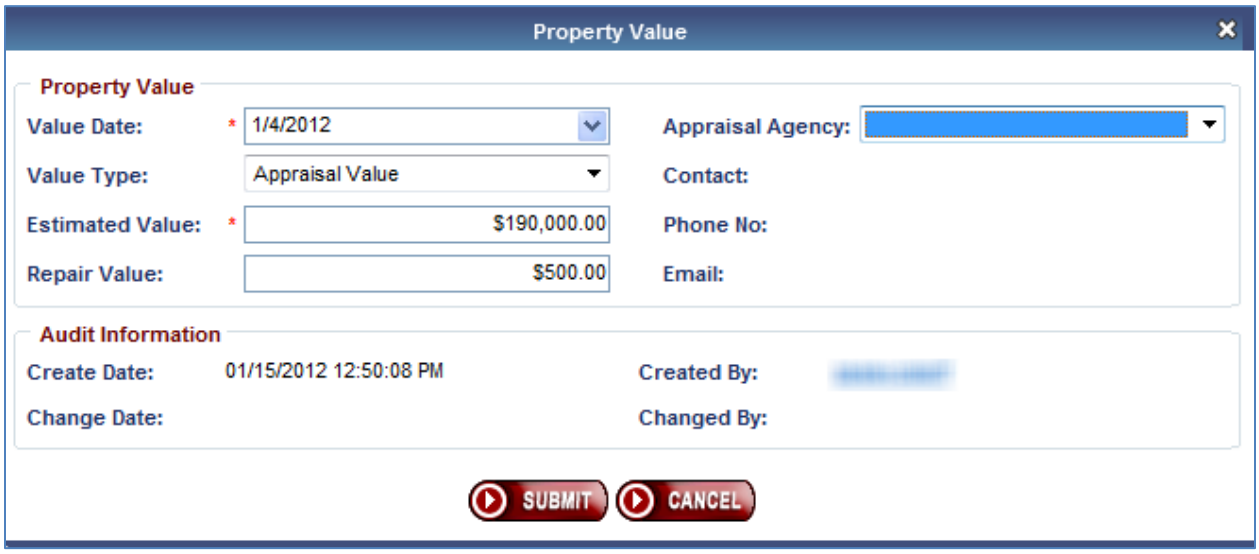


Figure 6-46: Edit Property Values Window

6.7.2.4 Deleting a Property Value

To delete a property value:

Step 1. Click the **cross icon** beside the value type in the **Property Values** section.

Step 2. A pop-up window is displayed requesting the user to confirm the action.

Step 3. Click **OK** on the pop-up window; the selected value will be deleted**.** To exit the pop-up window without deleting a value click **Cancel.**

The property value of Original Value Type cannot be deleted.

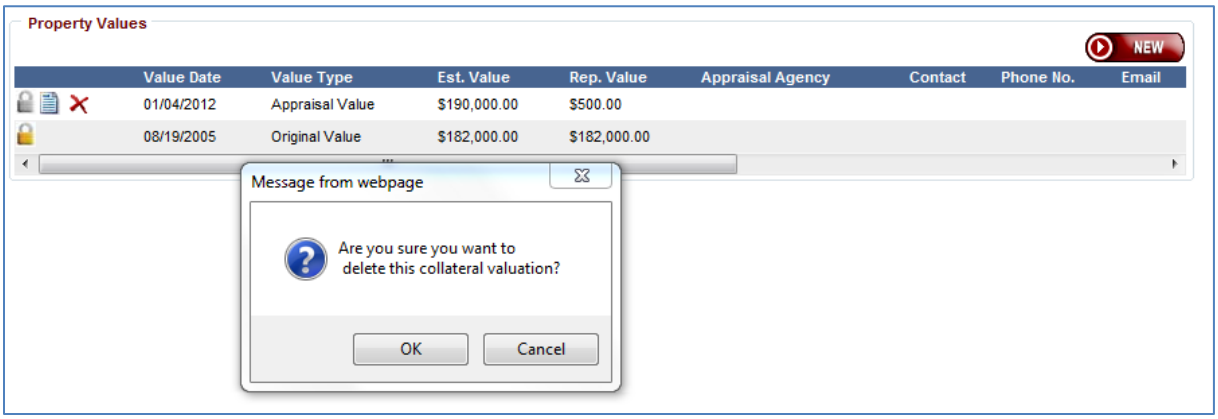


Figure 6-47: Delete Property Value Window

6.8 Documents

The Loan Documents screen is displayed when a user selects the Documents tab from the menu on the left side of the screen. This screen displays the letters, forms and documents associated with the loans. Authorized users can upload or delete documents. The Documents screen displays the following sections:

- Header section - Loan/Borrower/Servicer/Balance Information
- Upload button
- View documents

6.8.1 Viewing Loan Documents

To view a document:

Step 1. Click the **View** link beside the document.

Step 2. The document opens as a PDF.

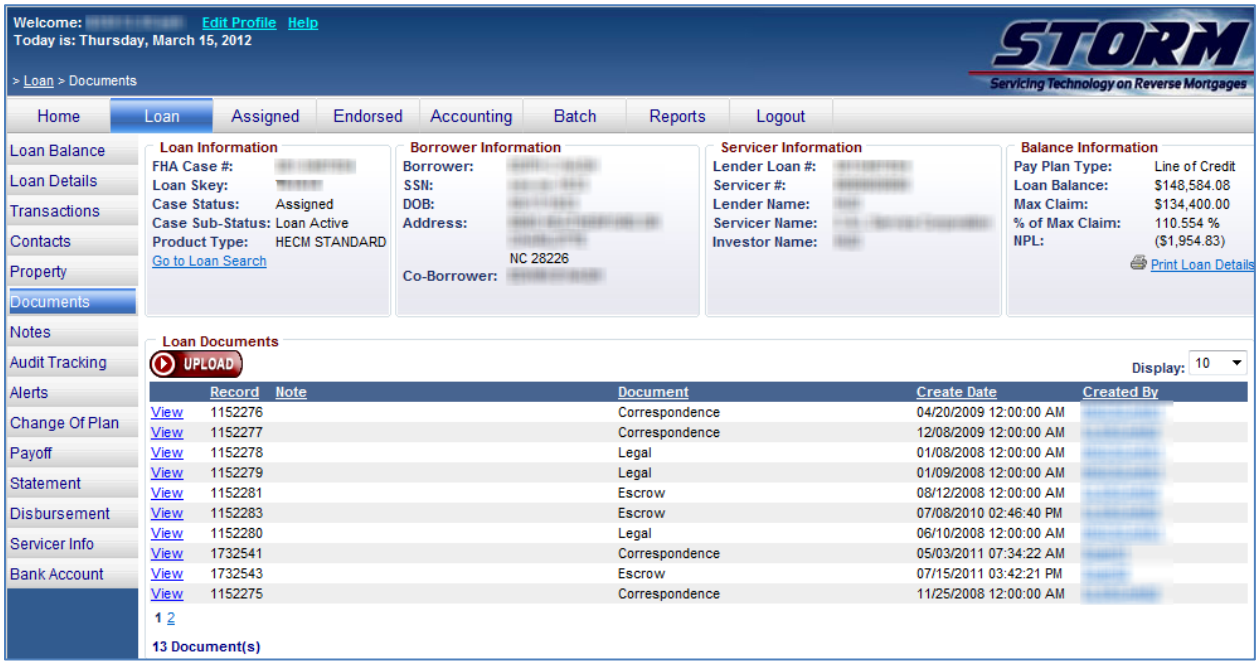


Figure 6-48: Loan Documents Screen

6.8.2 Uploading Loan Documents

To upload a document:

Step 1. Click **Upload** under the **Loan Documents** section.

Step 2. On the **Upload Document** window, select a document type to upload from the **Document Type** dropdown. Only PDF documents with maximum file size of 15 MB can be uploaded.

Step 3. Click **Browse** to select the location of the file (PDF).

Step 4. Enter a description of the document in the **Notes** field.

Step 5. Click **Upload** to save the document. An entry for this document is added to the **Loan Documents** section. To exit the window without uploading the document click **Cancel.**

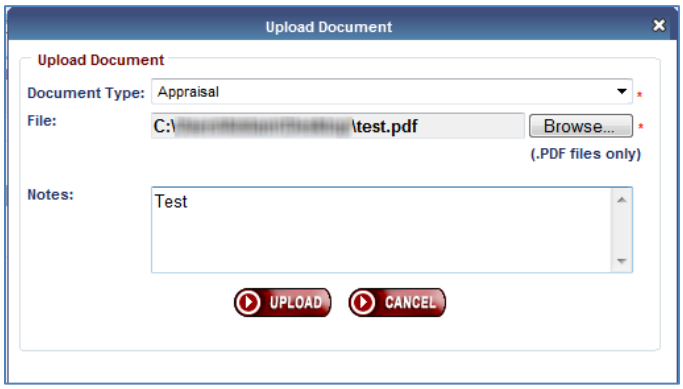


Figure 6-49: Upload Document Window

6.8.3 Deleting a Document

To delete a document:

Step 1. Click **cross icon** beside the document in the **Loan Documents** screen.

Step 2. A pop-up window is displayed requesting the user to confirm the action.

Step 3. Click **OK** on the pop-up window, the selected document will be deleted**.** To exit the message window without deleting the document click **Cancel.**

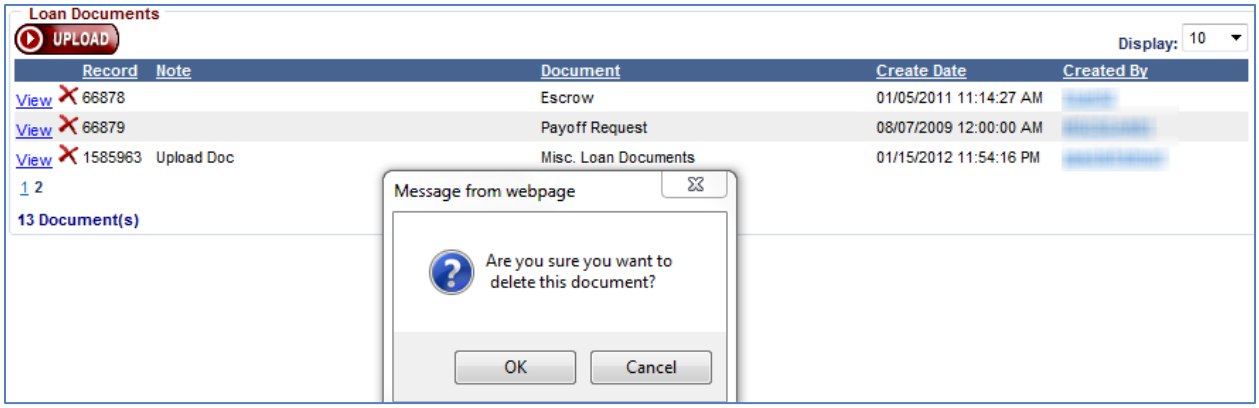


Figure 6-50: Delete Document

6.9 Notes

The Notes screen is displayed when a user selects the Notes tab from the menu on the left side of the screen. The notes screen displays notes added by the system (auto notes) and notes that are manually created by the users. Authorized users can add, edit or delete a note. The Notes screen displays the following sections:

- **Notes Filter Criteria** – Allows users to filter and view specific notes type.
- **New Notes** – Allows authorized users to add a note type.
- **Print Notes** – Allows authorized users to print notes.

6.9.1 Filtering Notes

The Notes Filter Criteria section of the Notes screen allows the user to apply filter and view selected notes type:

Step 1. Select the Note Type from the **Note Type** dropdown.

Step 2. Click **Filter** to view the filtered notes under the **Notes Results** section.

Step 3. Select **Clear** to clear the selected filers and view all notes.

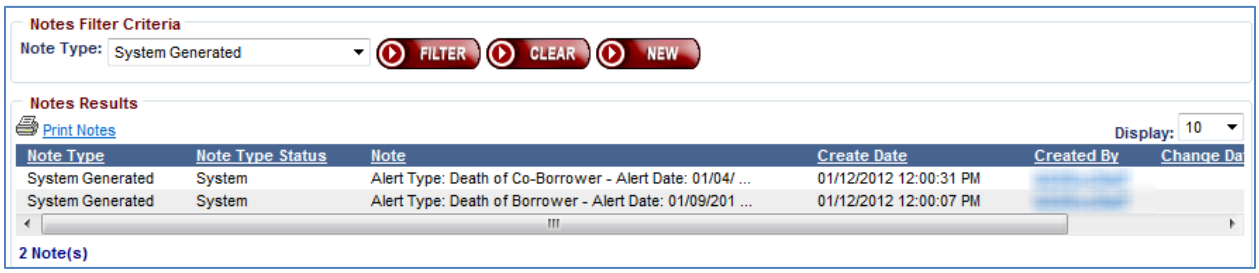


Figure 6-51: Filter Notes Window

6.9.2 Viewing a Note

To view a note:

Step 1. Click on the **Note** you want to view in the **Notes Filter Criteria** section.

Step 2. On the **Note Item,** click **Next** to view the next note on the loan**.**

Step 3. Click **Back** to view the previous note on the loan.

Step 4. Click **Cancel** to exit the window.

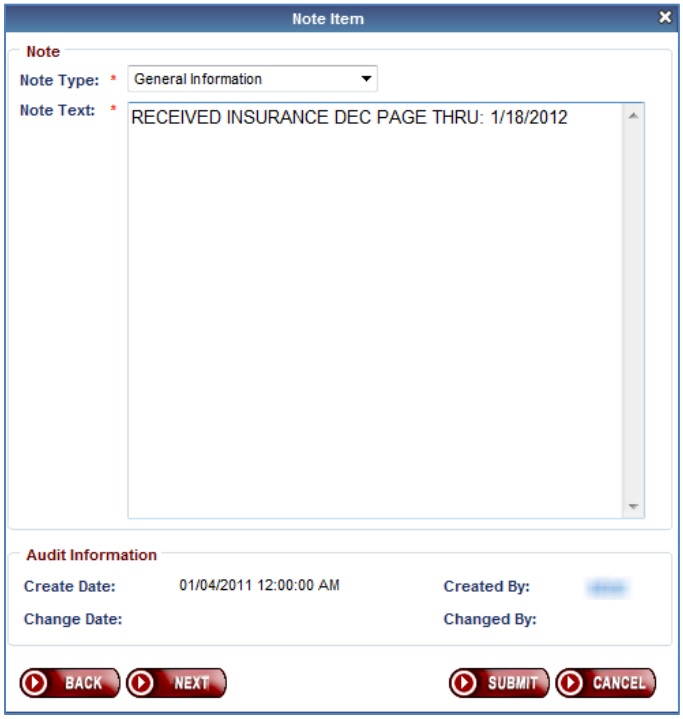


Figure 6-52: View Note Window

6.9.3 Adding a Note

To create a new note:

Step 1. Click **New** in the **Notes Filter Criteria** section.

Step 2. On the **Note Item** window, select a **Note Type** and enter a **Note Text.**

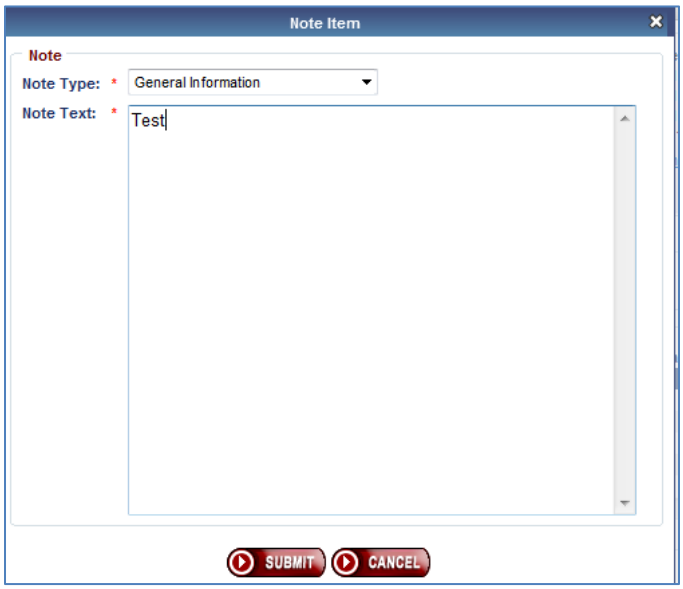


Figure 6-53: Create New Note Window

Step 3. Click **Submit.** The new note is reflected in the **Notes Results** section. To exit the screen without adding the note, click **Cancel**.

Figure 6-54: New Note Displayed on Notes Results Section

6.9.4 Editing a Note

To edit a note:

Step 1. Click the **Note** you want to edit (system-generated auto notes cannot be edited)**,** in the **Notes Filter Criteria** section.

Step 2. On the **Note Item** window, edit the **Note Type** and **Note Text.**

Step 3. Click **Submit**. The updated note is reflected in the **Notes Results** section.

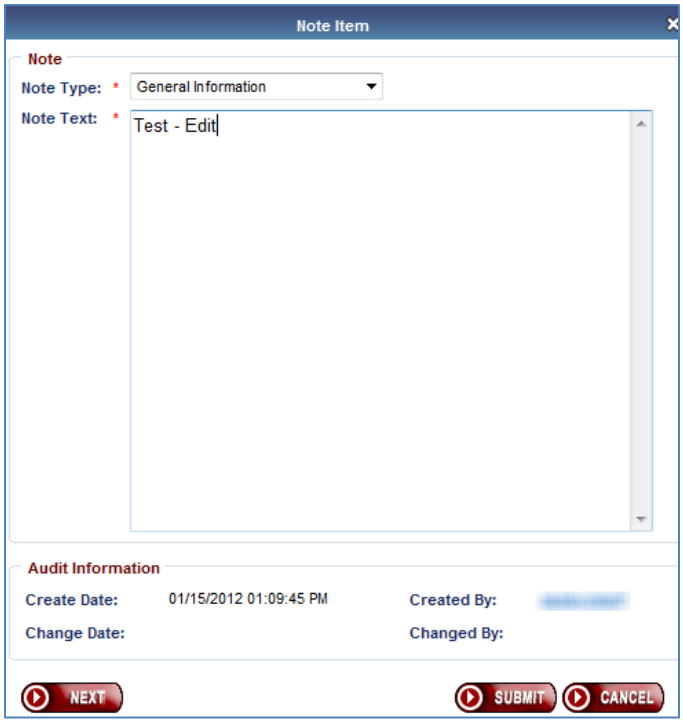


Figure 6-55: Edit Note Window

6.9.5 Deleting a Note

To delete a note:

Step 1. Click **cross icon** beside the note in the **Notes Filter Criteria** section. Authorized users other than managers can delete a note only on the same day as the day it was created. Manager roles can delete any note (except those that were system generated) created on any day.

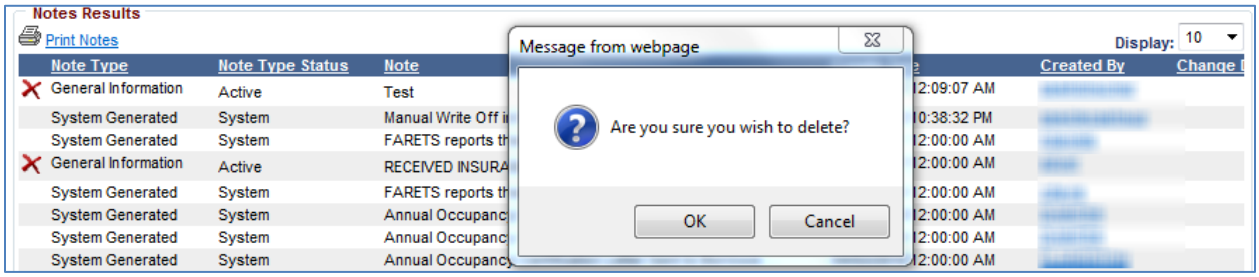
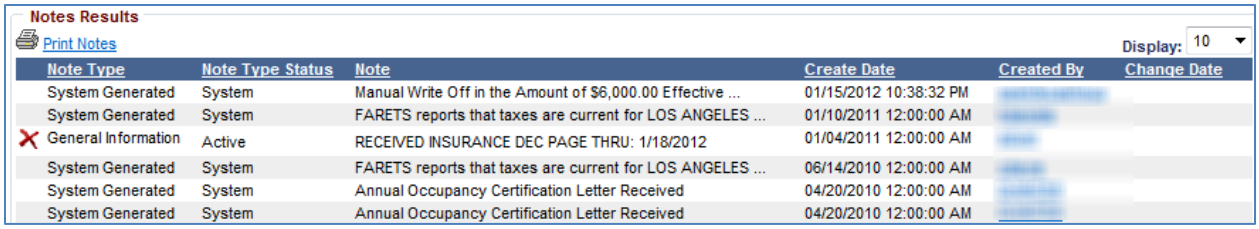


Figure 6-56: Delete Note Window

Step 2. A pop-up window is displayed requesting the user to confirm the action.

Step 3. Click **OK** on the pop-up window, the selected note will be deleted**.** To exit the message window without deleting the document click **Cancel.**



Notes Results

Print Notes

Display: 10

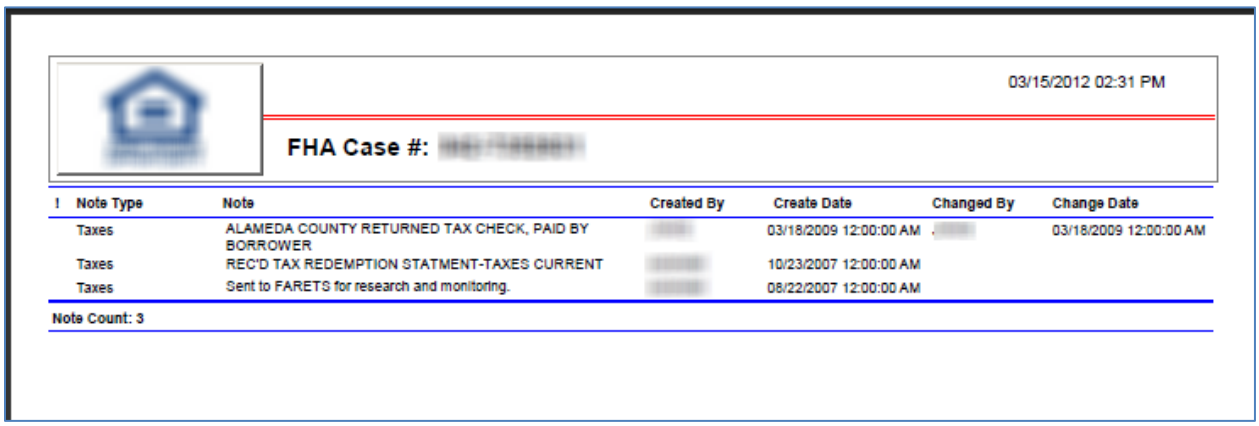
Note Type	Note Type Status	Note	Create Date	Created By	Change Date
System Generated	System	Manual Write Off in the Amount of $6,000.00 Effective ...	01/15/2012 10:38:32 PM		
System Generated	System	FARETS reports that taxes are current for LOS ANGELES ...	01/10/2011 12:00:00 AM		
General Information	Active	RECEIVED INSURANCE DEC PAGE THRU: 1/18/2012	01/04/2011 12:00:00 AM		
System Generated	System	FARETS reports that taxes are current for LOS ANGELES ...	06/14/2010 12:00:00 AM		
System Generated	System	Annual Occupancy Certification Letter Received	04/20/2010 12:00:00 AM		
System Generated	System	Annual Occupancy Certification Letter Received	04/20/2010 12:00:00 AM		

Figure 6-57: Deleted Note not Displayed on Notes Results Section

6.9.6 Printing Notes

To print the notes on a loan:

Step 1. Click **Print Notes** link in the **Notes Filter Criteria** section. The notes are opened in a PDF file for printing.



03/15/2012 02:31 PM

FHA Case #:

!	Note Type	Note	Created By	Create Date	Changed By	Change Date
	Taxes	ALAMEDA COUNTY RETURNED TAX CHECK, PAID BY BORROWER		03/18/2009 12:00:00 AM		03/18/2009 12:00:00 AM
	Taxes	REC'D TAX REDEMPTION STATMENT-TAXES CURRENT		10/23/2007 12:00:00 AM		
	Taxes	Sent to FARETS for research and monitoring.		08/22/2007 12:00:00 AM		

Note Count: 3

Figure 6-58: Print Notes

6.10 Audit Tracking

The Audit Filter Criteria screen is displayed when a user selects the Audit Tracking tab from the menu on the left side of the screen. The screen displays all audit data captured for the loan. Only authorized users can view the audit tracking information. Users can filter the audit data using the audit filter criteria.

6.10.1 Filtering Audit Information

The Audit Filter Criteria section of the Audit screen allows users to filter and view the audit information:

Step 1. Select the **Audit** field from the dropdown.

Step 2. Click **Filter** to view the filtered audit data under the **Audit Results** section.

Step 3. Click **Clear** to clear the selected filters and view all audit data.

The Audit Results section displays the following fields:

- **Audit Type:** The type of Audit on the loan.
- **Original Value:** The original value of the audit type.
- **New Value:** The new value of the audit type.

- **Change Date:** The date the audit type values were modified.
- **Changed By:** The name of the user role associated with the audit change.

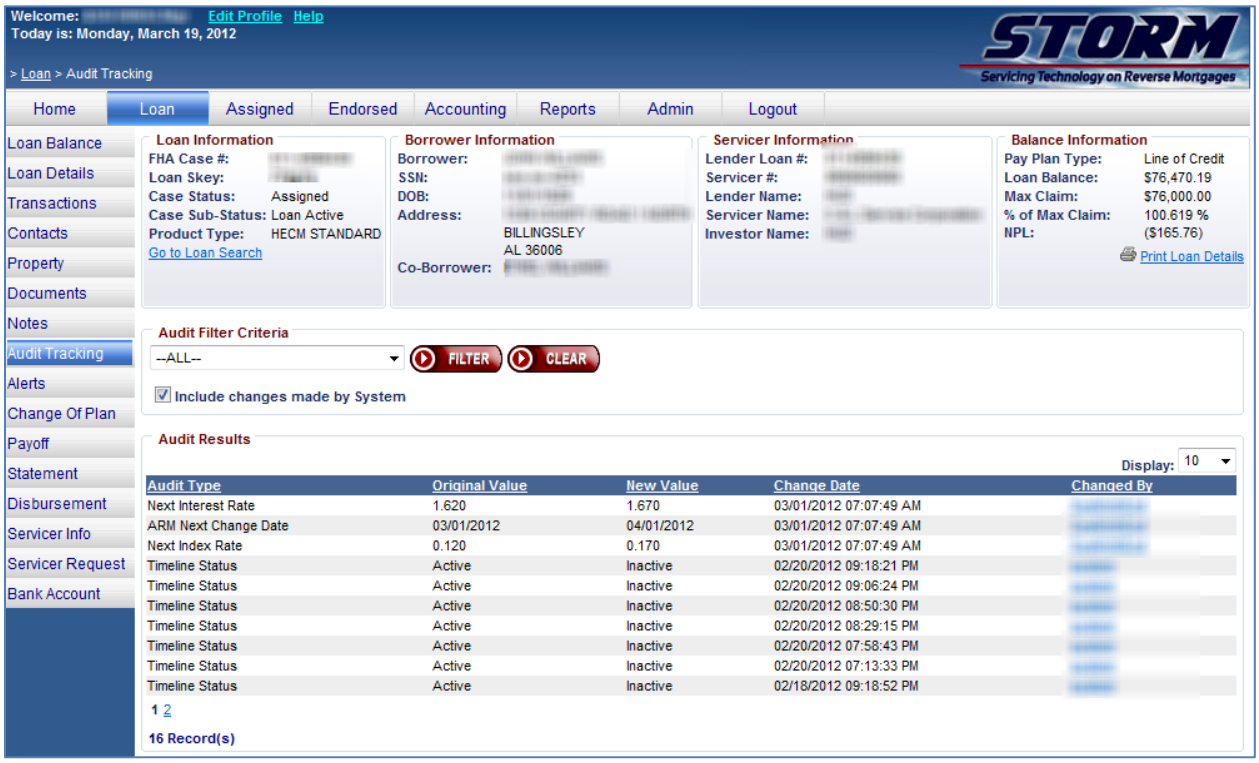


Figure 6-59: Audit Filter Window

6.11 Alerts

The Alerts screen is displayed when a user selects the Alerts tab from the menu on the left side of the screen. The Alerts screen shows all the active alerts added to the loan. The system automatically adds an alert when the alert condition is identified. In addition, the authorized users can manually add an alert to the loan. Authorized users can also create new alert types using the Alerts tab within Admin menu tab (See **Chapter 10)**.

Figure 6-60: Alerts Screen

The Alerts section displays the following fields:

- **Alert Date:** The date the alert was generated
- **Alert Description:** The description associated with the alert type
- **Severity:** Severity of the alert, Critical or General Tracking
- **Alert Amt**: Any monetary amount associated with the alert
- **Expiration Date:** The date the alert expires. If the current system date is greater than the alert expiration date, the alert is no longer displayed in the critical alerts pop-up window.
- **Status:** Indicates the status of the alert (Active/Inactive)
- **Alert Type:** Indicates whether the alert is system generated or user generated
- **Alert Note:** A short note associated with the alert
- **Create Date:** The date the alert was created in the system
- **Created By:** The name of the user role who created the alert
- **Change Date:** The date the alert was modified/changed
- **Changed By:** The user that changed/modified the alert

6.11.1 Creating New Alerts

To create a new alert on a loan:

Step 1. Click **New** in the **Alerts** section.

Step 2. On the **New Alert** screen, select **Alert Type, Alert Date, Expiration Date, Alert Amount, and Status**. Enter an **Alert Note**.

Step 3. Click **Submit.** The new alert is displayed in the **Alerts** section. To exit without adding alert click **Cancel**.

Step 4. Once an alert is added, the alert cannot be deleted, but can be made inactive.

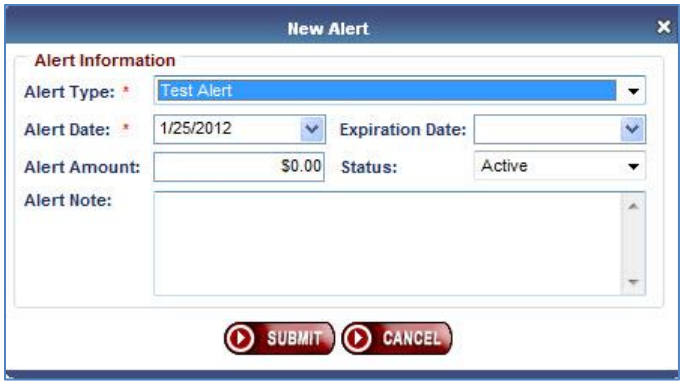


Figure 6-61: New Alert Window

6.11.2 Editing an Alert

To edit an alert on a loan:

Step 1. Click the **Alert** you want to edit (system-generated alerts cannot be edited)**,** in the **Alerts** section.

Step 2. On the **Edit Alert** window, edit the **Alert Date**, **Expiration Date**, **Alert Amount**, **Status** and **Alert Note**.

Step 3. Click **Submit.** The updated alert is reflected in the **Alerts** section. To exit without updating alert click **Cancel**.

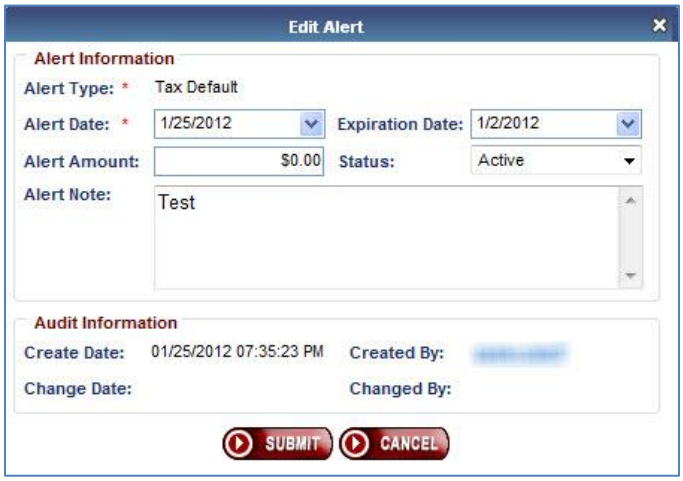


Figure 6-62: Edit Alert Window

6.12 Change of Plan

The Change of Plan screen is displayed when a user selects the Change of Plan tab from the menu on the left side of the screen. The Change of Plan screen shows the current payment plan and any prior payment plans associated with the loan. Only authorized user roles from HUD NSC Contractor can approve the Change of Plan to be effective.

The following conditions must be satisfied to initiate a change of plan:

- Authorized users can perform Change of Plan.
- The loan must have a case status of Assigned and a sub-status of Loan Active.

- An effective date for a payment plan change must be after the last transaction and must be within the month in which the change takes effect.

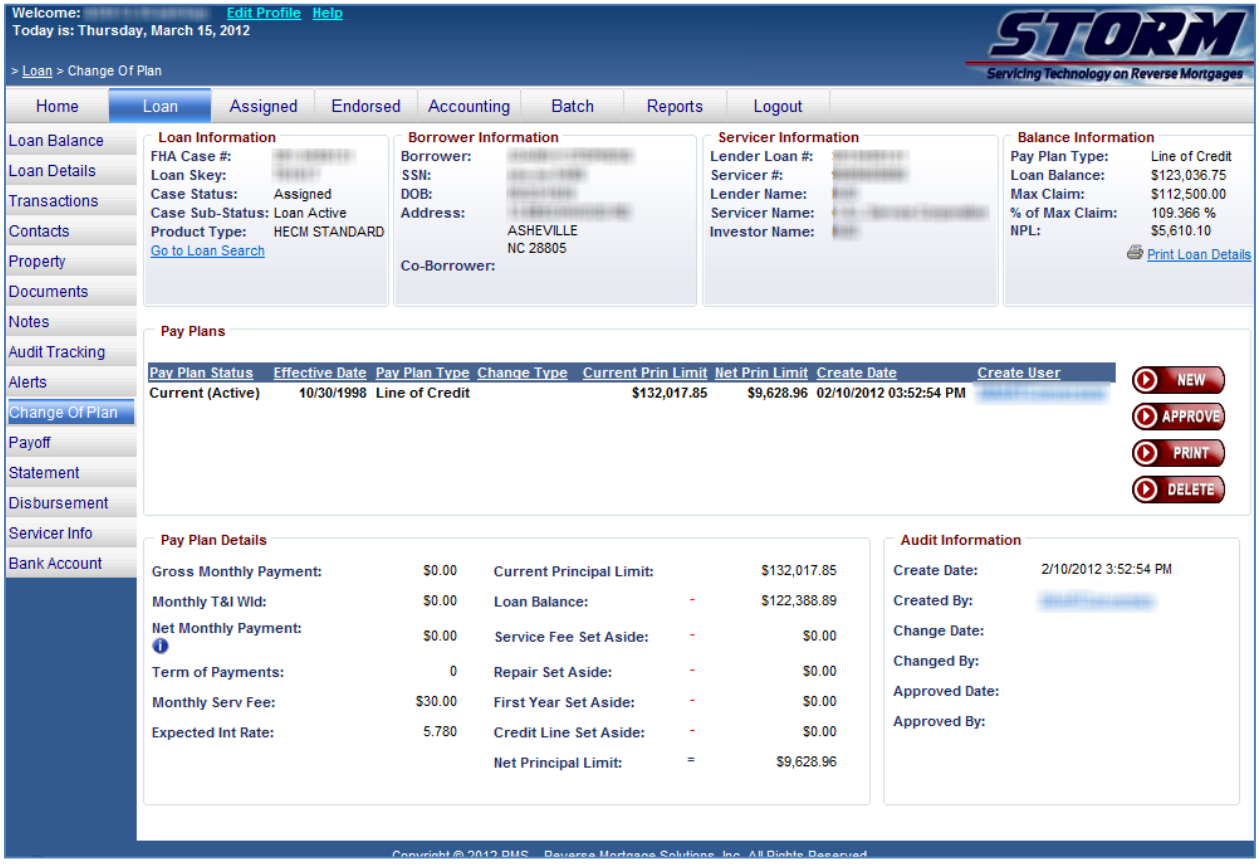


Figure 6-63: Change of Plan Screen

The Servicing Module currently allows the following five payment plans for HECM loans:

Payment Plan	Description
Line of credit	A borrower can make withdrawals up to a maximum amount, at times, and in amounts, of the borrower's choosing.
Tenure	A borrower receives monthly payments from the lender for as long as the borrower lives and continues to occupy the home as a principal residence.
Term	A borrower receives monthly payments for a fixed period selected by the borrower.
Modified tenure	The tenure option is combined with a line of credit.
Modified term	The term option is combined with a line of credit.

Table 6-7: Payment Plan Types

6.12.1 Viewing a Payment Plan

To view a payment plan:

Step 1. Select the record to display the **Pay Plan Details** section and **Audit Information** sections. The Pay Plan Details section displays the following details of the payment plan selected in Pay Plans section:

- **Gross Monthly Payment:** The monthly payment made to a borrower
- **Monthly T&I Wld:** The monthly taxes and insurance amount withheld
- **Net Monthly Payment:** The gross monthly payment – Monthly T & I withheld
- **Term of Payments:** The number of payment months
- **Monthly Serv Fee:** The monthly service fee charged by the servicer

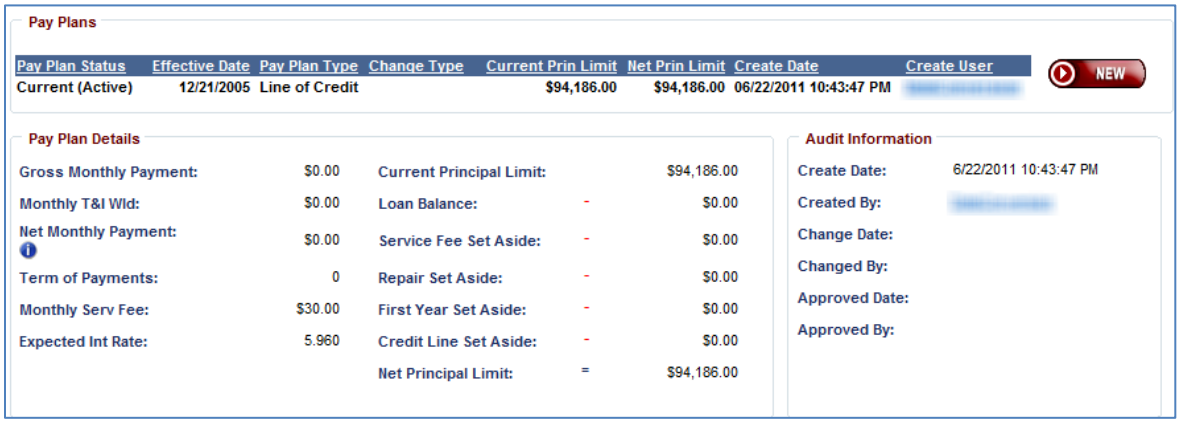


Figure 6-64: View Payment Plan Screen

6.12.2 Creating a New Payment Plan

To create a new payment plan:

Step 1. Click **New** in the **Pay Plans** section.

Step 2. On the **New Payment Plan** window, enter the effective date and change type (selectable values of Forced or Voluntary).

Figure 6-65: New Payment Plan Window

Step 3. Click **Submit** to save the changes**.** The **Payment Option Worksheet** is displayed.

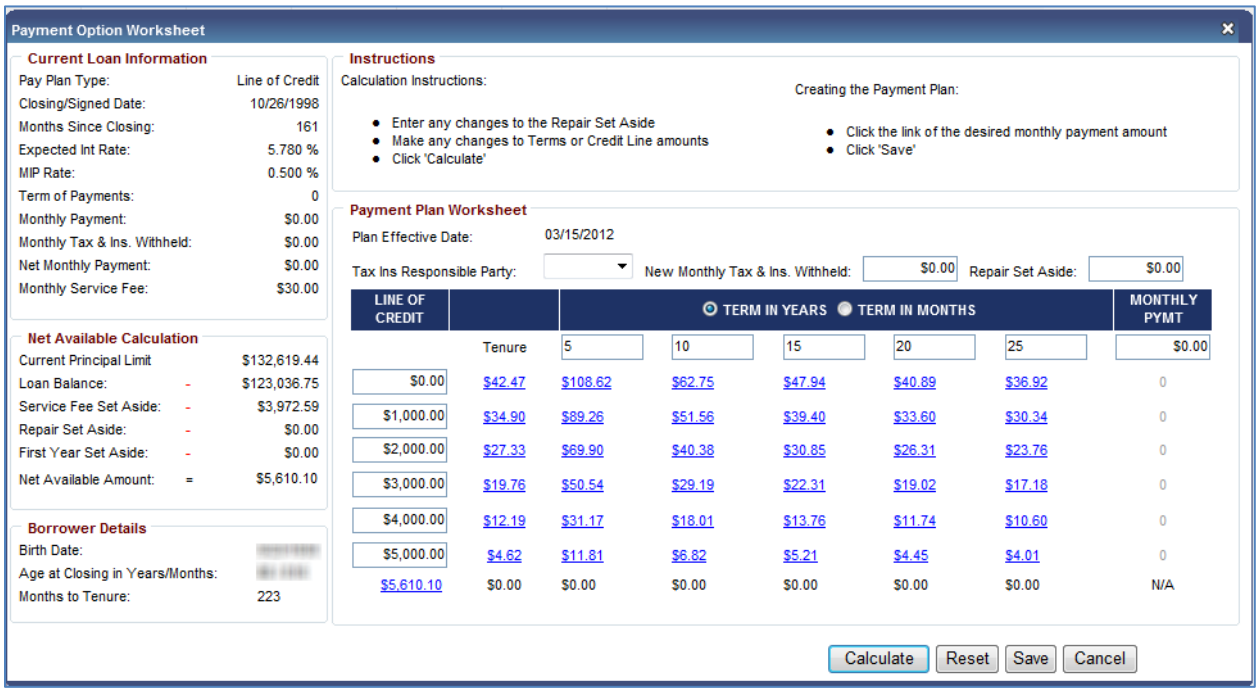


Figure 6-66: Change of Plan Worksheet

Step 4. Select the new payment plan. Instructions are provided within the worksheet (at the header), enter the values as needed and click **Calculate** to view the updated amounts.

Step 5. Click **Save** to save the changes.

Step 6. The pay plan status of the new payment plan will be in Pending Approval.

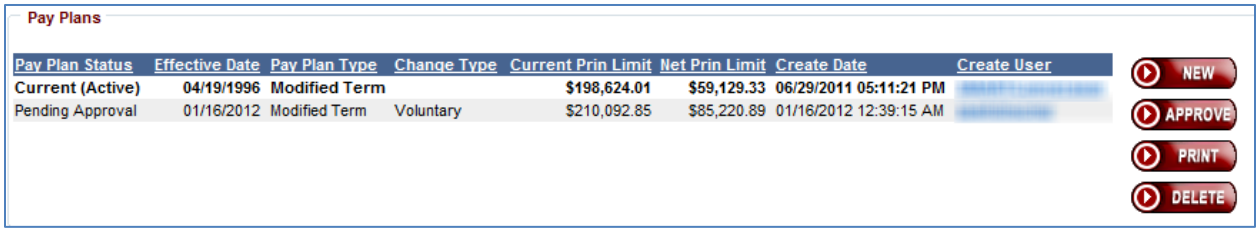


Figure 6-67: New Change of Plan Displayed on Pay Plans Section

6.12.3 Approving a Pending Payment Plan

After a payment plan is initiated and is in Pending Approval status, the payment plan can be approved.

To approve a pending payment plan:

Step 1. Select the payment plan with a status of **Pending Approval** under the **Pay Plans** section.

Step 2. Click **Approve.**

Step 3. A pop-up window is displayed requesting the user to confirm the action. The user must enter the Change of Plan fee, and Click **OK**.

Figure 6-68: Confirm Approval on Change of Plan

Step 4. The pay plan status of the new payment plan will be Current (Active) and the previous payment plan will be updated to the Previous.

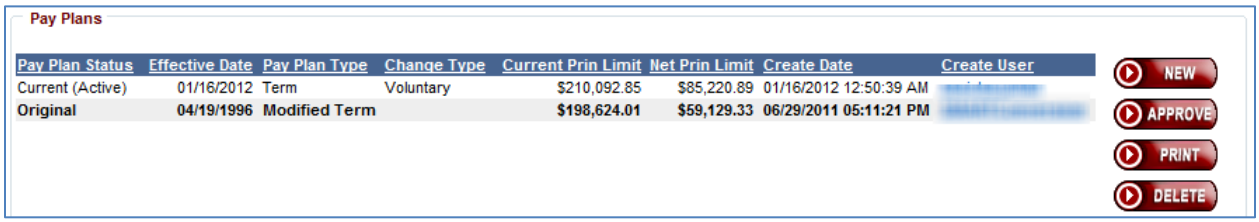


Figure 6-69: Change of Plan Status Updated

6.12.4 Printing a Pending Change of Plan

After a payment plan is initiated and is in Pending Approval status, the payment plan can be printed.

To print a pending payment plan:

Step 1. Select the payment plan with a status of **Pending Approval** under the **Pay Plans** section.

Step 2. Click **Print**.

Step 3. Enter the subject and salutation on the **Print Change of Payment Plan** window.

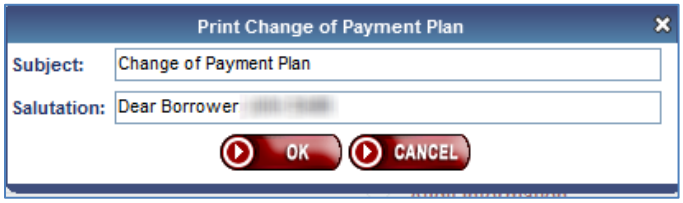


Figure 6-70: Print Pending Change of Plan Window

Step 4. Click **OK** on the window**.** The change of plan letter is displayed in PDF version.

6.12.5 Deleting a Pending Change of Plan

After a payment plan is initiated and is in Pending Approval status, the payment plan can be deleted.

To delete a pending payment plan:

Step 1. Select the payment plan with a status of **Pending Approval** under the **Pay Plans** section.

Step 2. Click **Delete**.

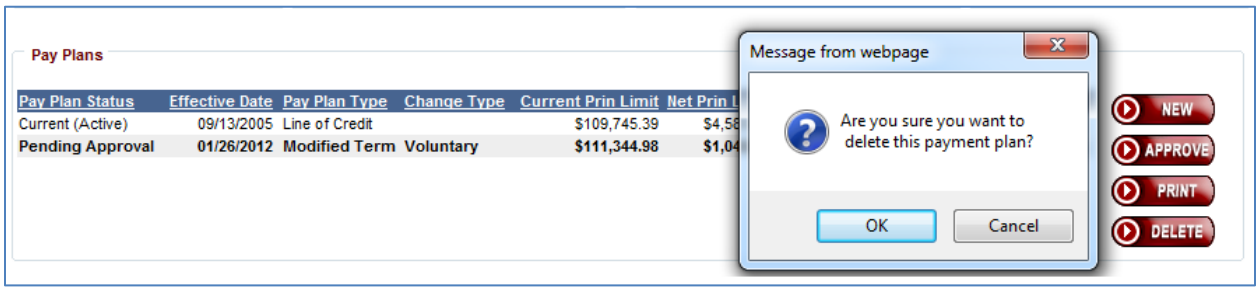


Figure 6-71: Delete Pending Change of Plan

Step 3. A pop-up window is displayed requesting the user to confirm the action.

Step 4. Click **OK** on the pop-up window, the selected payment plan will be deleted**.** To exit the message window without deleting the document click **Cancel.**

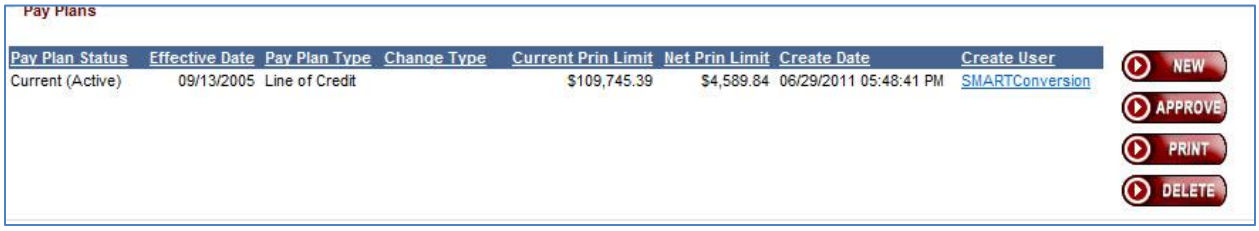


Figure 6-72: Delete Pending Change of Plan Confirmation

6.13 Payoff

The Payoff Info screen is displayed when a user selects the Payoff tab from the menu on the left side of the screen. The screen displays the payoff amount as of the selected payoff date. Only authorized users can access the Payoff Info screen. The system also allows authorized users to do the following functions:

- Preview Payoff Statement
- Print Payoff Statement

6.13.1 Viewing a Payoff Statement

To view a borrower's loan payoff statement:

Step 1. Select the Payoff date and then Click **Preview Payoff Statement** link on the **Payoff Info** screen.

Step 2. The **Payoff Statement** is displayed in a new window.

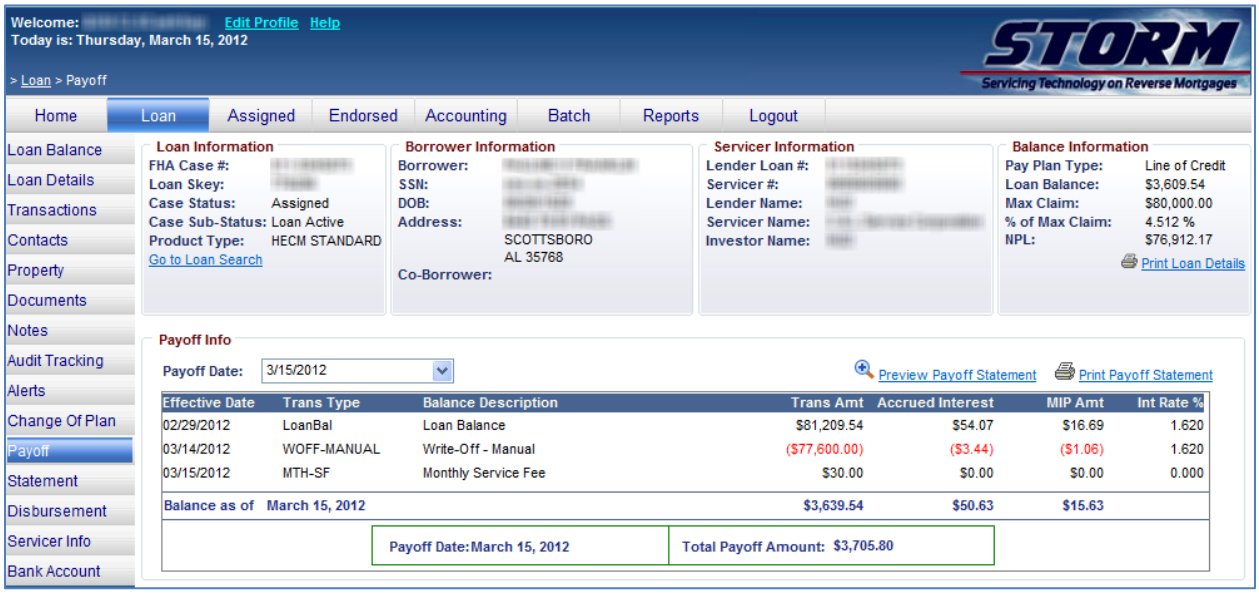


Figure 6-73: Payoff Info Screen

6.13.2 Printing a Payoff Statement

To print a borrower's loan payoff statement:

Step 1. Click the **Print Payoff Statement** link on the **Payoff Info** screen.

Step 2. The Payoff Statement for this loan is displayed and is automatically saved on the **Documents** tab.

Step 3. Click the **Print** option on the PDF file to print the statement.

6.14 Statement

The Monthly Statement screen is displayed when an authorized user selects the Statement tab from the menu on the left side of the screen. The screen displays the monthly statement amount details

as of the selected reporting period. Only authorized users have access to the Statement screen. This screen also allows printing the Monthly Statement for a selected month.

6.14.1 Viewing and Printing a Monthly Statement

To view and print a monthly statement:

Step 1. From the Reporting Period dropdown box, select the month for which the statement needs to be viewed or printed.

Step 2. Click **Print Monthly Statement.**

Step 3. The monthly statement is displayed in a PDF file.

Figure 6-74: View Monthly Statement Screen

6.14.2 Editing the Monthly Statement Message

To edit the monthly statement message:

Step 1. Click **Statement.**

Step 2. Click **Edit Message**.

Step 3. In the **Custom Message** section, enter the message.

Step 4. Select the check box for **Repeat this message on future statement** if required.

Step 5. Click **OK** to save the message.

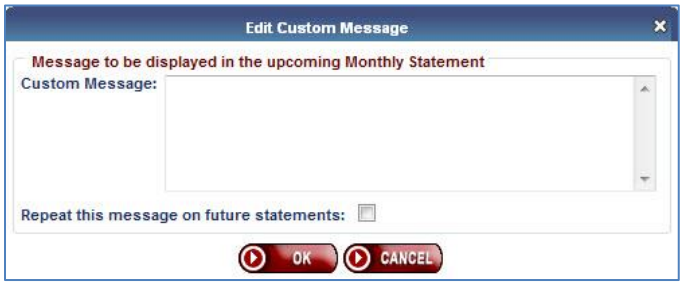


Figure 6-75: Edit Monthly Statement Message Window

6.15 Disbursement

The Disbursement screen is displayed when an authorized user selects the Disbursement tab from the menu on the left side of the screen. Only authorized users (Example: HUD NSC Contractor) have access to the tab. This screen displays all the disbursement transactions associated with the loan. This screen allows the user to add new disbursements transactions. The following Disbursement Transaction Categories are available:

- Corp Advance – Penalty
- Disb- Unscheduled from LOC
- Loss Draft
- Disb – Repair Set Aside
- Refunds

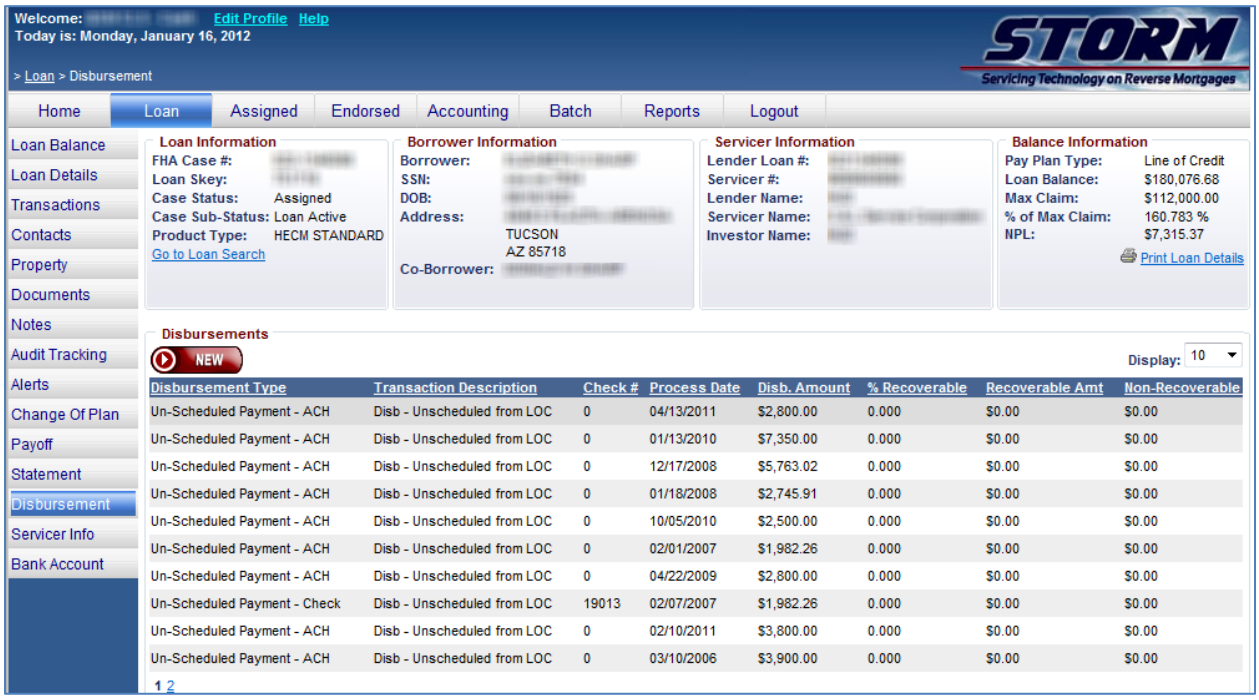


Figure 6-76: Disbursements Screen

6.15.1 Performing a Corp Advance - Penalty

This transaction is initiated by the HUD NSC Contractor to pay penalty to the borrower in case of payments missed to the borrower. HUD NSC Contractor makes this payment to the borrower.

To perform a Corp Advance Penalty:

Step 1. Click **New** on the **Disbursements** screen.

Step 2. On the **New Disbursement** window, select Corp Advance - Penalty from **Transactions Category** dropdown.

Figure 6-77: Corp Advance Penalty - New Disbursement Window

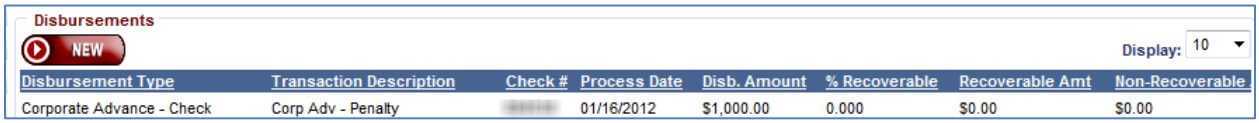
Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Desc
- Payee Type – select Borrower from the dropdown
- Payee

Step 4. Click **Submit**. The **New Disbursement** window is refreshed with additional fields.

Step 5. Enter the information in the below listed fields
- Payee Information
- Disbursement Amount

Step 6. Update the **Process Date** if required.

Step 7. Click **Submit** to save the changes. This disbursement is displayed in the **Disbursement** screen.



Disbursement Type	Transaction Description	Check #	Process Date	Disb. Amount	% Recoverable	Recoverable Amt	Non-Recoverable
Corporate Advance - Check	Corp Adv - Penalty		01/16/2012	$1,000.00	0.000	$0.00	$0.00

Figure 6-78: Confirmation of New Disbursement Screen

Step 8. If the payment method type is Check, the supervisor role must print the Check for the disbursement transaction to be sent for Accounting. If the payment method is ACH, then the supervisor role must generate and upload the ACH file for the transaction. Refer to the Accounting **Section 6.19** Disbursements tab for more details.

6.15.2 Performing an Unscheduled from LOC Disbursement

To perform a Disb- Unscheduled from LOC:

Step 1. Click **New** on the **Disbursements** screen.

Step 2. On the **New Disbursement** window, select Disb- Unscheduled from LOC from **Transactions Category** dropdown.

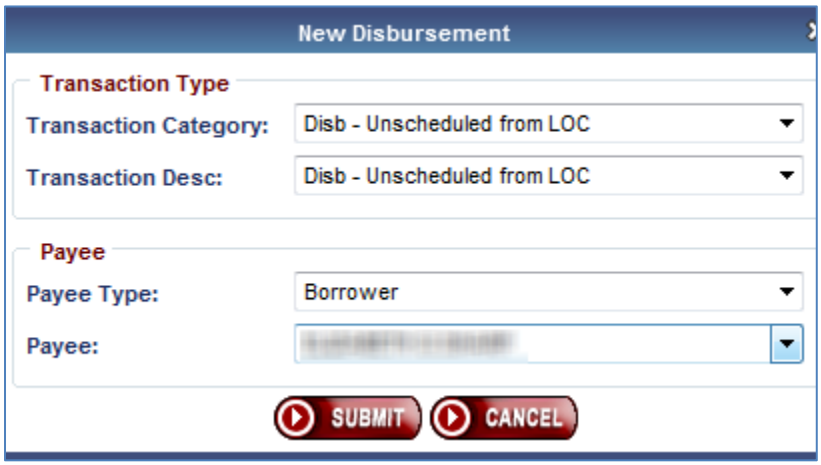


Figure 6-79: Unscheduled from LOC - New Disbursement Window

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Desc
- Payee Type
- Payee – pre-filled only if payee type is Borrower

Step 4. Click **Submit**. The **New Disbursement** window is refreshed with additional fields.

Step 5. Enter the information in the below listed fields
- Payee Information
- Disbursement Amount

Step 6. Update the **Process Date** if required.

Step 7. Click **Submit** to save the changes. This disbursement is displayed in the **Disbursement** screen.

Step 8. If the payment method is check, the supervisor role must print the check for the disbursement transaction to be sent for Accounting. If the payment method is ACH, then the supervisor role must generate and upload the ACH file for the transaction. Refer to the Accounting **Section 6.19** Disbursements tab for more details.

The table below lists all the allowable disbursement transactions that can be manually created within the Unscheduled from LOC category:

Transaction	Description
Disb - LOC - Property Charge - Assessment	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit to Vendor for special assessment liens on the mortgaged property. This transaction applies to Line of Credit, Modified Term and Modified Tenure pay plans only.
Disb - LOC - Property	Initiated by HUD NSC Contractor to make an unscheduled disbursement

Transaction	Description
Charge - Flood Ins	from borrower's available Line Of Credit to Vendor for flood insurance premiums on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - LOC - Property Charge - Ground Rent	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit to Vendor for ground rent expenses on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - LOC - Property Charge - Attorney Fee	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit to Attorney for attorney fee on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - LOC - Property Charge - Condo Dues	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit to Vendor for condominium fees on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - LOC - Property Charge - HOA Dues	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit to Vendor for HOA fees on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - Unscheduled from LOC – Other	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - Unscheduled from LOC Appraisals	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit for appraisals on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - Unscheduled from LOC Inspections	Initiated by HUD NSC Contractor to make an unscheduled disbursement from borrower's available Line Of Credit for property inspections on the mortgaged property. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - Unscheduled from LOC Insurance	Initiated by HUD NSC Contractor to make an unscheduled disbursement from Line Of Credit to pay for the insurance of the mortgaged property on behalf of borrower. This transaction applies to line of credit, modified term and modified tenure pay plans only.
Disb - Unscheduled from LOC Prop Preserv	Initiated by HUD NSC Contractor to make an unscheduled disbursement from line of credit for preservation and protection of the mortgaged property. Preservation and protection activities may include repairs, landscaping etc. This transaction applies to pay plan types line of credit, modified term and modified tenure only.
Disb - Unscheduled from LOC Taxes	This transaction is initiated by HUD NSC Contractor to make an unscheduled disbursement from line of credit to pay for taxes of the mortgaged property on behalf of borrower. This transaction applies to pay plan types line of credit, modified term and modified tenure only.

Table 6-8: Unscheduled LOC Disbursements

6.15.3 Performing Loss Draft Disbursements

HUD issues hazard insurance proceeds from the loss draft set-aside for the payment of the repair or restoration of a damaged property. The set-aside funds are typically disbursed in one-third increments as the repair work progresses. The Loss Draft Disbursements cannot be made without the Loss Draft Set Aside- Setup transaction. Refer to Transactions section 6.5 Set Aside screen for more details.

To perform a Loss Draft Disbursement:

Step 1. Click **New** on the **Disbursements** screen.

Step 2. On the **New Disbursement** window, select Loss Draft from **Transactions Category** dropdown.

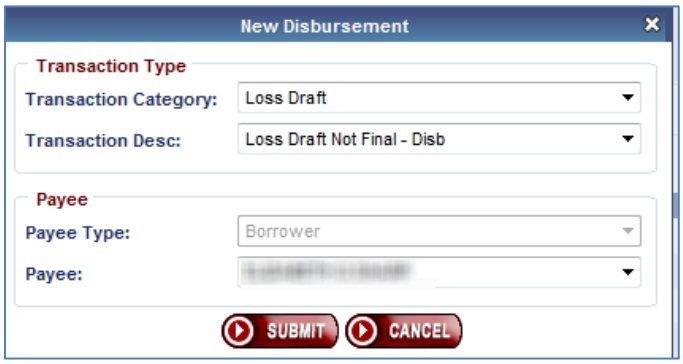


Figure 6-80: Loss Draft - New Disbursement Window

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Desc
- Payee Type – prefilled with Borrower
- Payee – pre-filled with Borrower name

Step 4. Click **Submit**. The **New Disbursement** window is refreshed with additional fields.

Step 5. Enter the information in the below listed fields:
- Payee Information
- Disbursement Amount

Step 6. Update the **Process Date** if required.

Step 7. Click **Submit** to save the changes. This disbursement is displayed in the **Disbursement** screen.

Step 8. If the payment method is check, the supervisor role must print the check for the disbursement transaction to be sent for Accounting. If the payment method is ACH, then the supervisor role must generate and upload the ACH file for the transaction. Refer to **Section 6.19** for more details.

The table below lists all the allowable disbursement transactions that can be manually created within the Loss Draft Disbursements category.

Transaction	Description
Loss Draft Not Final – Disb	Initiated in the Servicing Module to make a disbursement from borrower's available Loss Draft amount. HUD NSC Contractor will be able to make a disbursement until all the amount has been exhausted (or) until there is no Loss Draft Final - Disb transaction.
Loss Draft Final - Disb	Initiated in the Servicing Module to make a disbursement from borrower's available Loss Draft amount. This will be a one-time transaction and HUD NSC contractor will not be able to make a Loss Draft Not Final - Disb once a final transaction has been made.
Loss Draft Inspection - Disb	Initiated in the Servicing Module for inspection of loss draft.

Table 6-9: Loss Draft Disbursements

6.15.4 Performing a Repair Set Aside Disbursement

The HUD NSC Contractor will initiate this disbursement from borrower's available repair set aside amount. The Repair Set Aside transaction will be used for loans converted from HUD's legacy system (SMART) with repair set aside amount greater than zero dollars. For the loans where repairs are initiated in the Servicing Module, Loss Draft Set Aside transaction will be used. The Repair Set Aside Disbursements cannot be made without the Repair Set Aside - Setup transaction. Refer to Transactions section 6.5 Set Aside screen for more details.

To perform a repairs Repair Set Aside Disbursement:

Step 1. Click **New** on the **Disbursements** screen.

Step 2. On the **New Disbursement** window, select Disb - Repair Set Aside from **Transactions Category** dropdown.

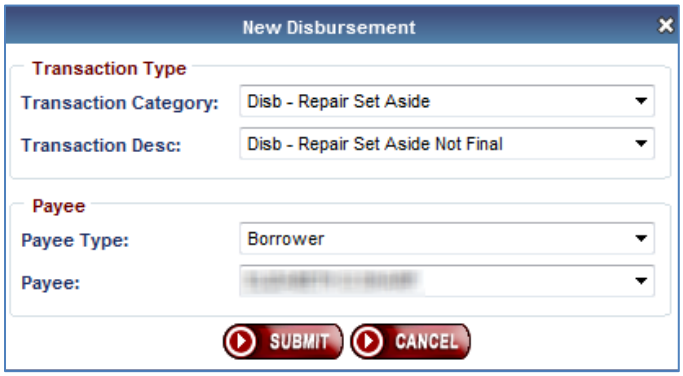


Figure 6-81: Repair Set Aside - New Disbursement Window

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Desc
- Payee Type
- Payee – pre-filled only if payee type is Borrower

Step 4. Click **Submit**. The **New Disbursement** window is refreshed with additional fields.

Step 5. Enter the information in the below listed fields:
- Payee Information
- Disbursement Amount

Step 6. Update the **Process Date** if required.

Step 7. Click **Submit** to save the changes. This disbursement is displayed in the **Disbursement** screen.

Step 8. If the payment method is check, the supervisor role must print the check for the disbursement transaction to be sent for Accounting. If the payment method is ACH, then the supervisor role must generate and upload the ACH file for the transaction. Refer to the Accounting **Section 6.19** Disbursements tab for more details.

The table below lists all the allowable disbursement transactions that can be manually created within the Repair Set Aside Disbursements category.

Transaction	Description
Disb - Repair Set Aside Not Final	Initiated by the servicer to make a disbursement from borrower's set aside amount for any repairs on the mortgaged property. Servicer will be able to make these disbursements until all Repairs set aside Not Final amount has exhausted (or) there is no Disb - Repair Set Aside Final transaction. This transaction applies to ALL pay plan types.
Disb - Repair Set Aside Final	Initiated by the servicer to make a disbursement from borrower's repair set aside amount for any repairs on the mortgaged property. This will be a one-time transaction and the servicer will not be able to make any Disb - Repair Set Aside Not Final transaction once a final transaction has been made. This transaction applies to ALL pay plan types.

Table 6-10: Repair Set Aside Disbursements

6.15.5 Monthly Accruals

For Assigned loans with payment plan type of Term or Tenure, the system will automatically generates scheduled disbursement transactions (Disb – Scheduled) to track month accruals.

6.15.6 Performing a Refund Remittance Overage Disbursement

Remittance Overage disbursement can be performed when a loan is terminated and has an overage amount that can be refunded to the borrower.

To perform a Refund Remittance Overage Disbursement:

Step 1. Click **New** on the **Disbursements** screen.

Step 2. On the **New Disbursement** window, select Disb – Refund Overage Disbursement from **Transactions Category** dropdown.

Figure 6-82: Refund Remittance Overage – New Disbursement

Step 3. Populate the below listed required fields (marked with red asterisk):
- Transaction Desc
- Payee Type

Step 4. Click **Submit**. The **New Disbursement** window is refreshed with additional fields.

Step 5. Enter the information in the below listed fields:
- Payee Information
- Disbursement Amount

Step 6. Update the **Process Date** if required.

Step 7. Click **Submit** to save the changes. This disbursement is displayed in the **Disbursement** screen.

Step 8. If the payment method is check, the authorized user must print the check for the disbursement transaction to be sent for Accounting. If the payment method is ACH, the authorized user must generate and upload the ACH file for the transaction. Refer to the Accounting **Section 6.19** Disbursements tab for more details.

6.15.7 Notes Disbursements

This section explains the notes disbursements processing in HERMIT (Servicing and Accounting Modules) system.

1. The Servicing Module will notify the Accounting Module of notes disbursements via a daily interface file containing notes activity (payment made via the Zero Balance Account - ZBA).
2. The Servicing Module assigns a batch ID and batch status for the notes payable requests to track the notes disbursement status. Once the file is generated and sent to the Accounting Module, the batch status (Sent to GL) is updated to indicate that the transaction has been sent to the Accounting Module.
3. The Accounting Module processes the file, records the notes payable transactions and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success).
4. The ZBA bank receives daily presented check debits via the Federal Reserve System. These items are held in a pending status until HUD takes necessary measure to replenish the ZBA account on the same business day.
5. The HUD NSC staff downloads a presented checks report. This report is used to facilitate the preparation of the disbursement transmittal to replenish the ZBA account. The presented check report is the backup for the transmittal. The disbursement transmittal is approved, scanned, and emailed to the CMB.

6. The CMB receives the disbursement transmittal and manually enters summary vouchers into the FHA Subsidiary Ledger's FHA02 cash ledger.
7. CMB runs and prints the FHA02 Budget Check Notification report. The report is used to validate that the budget is available in the funds being charged for the amount of requested disbursements.
8. The Budget Check Notification report is attached to the transmittal by CMB.
9. If all transmittal and budget check processes reconcile, then the replenishment schedule is manually entered to the Treasury Secure Payment System (SPS) terminal.
10. A CMB certifying officer reviews and certifies payment schedules in SPS. Once certified, schedules are transmitted to the RFC for disbursement.
11. Treasury processes the certified disbursements via electronic funds transfer (EFT) to the ZBA bank. Upon receipt and deposit of ZBA checks or inbound wire transfers, the bank accounts are credited with the deposited funds.
12. Once disbursements are processed, Treasury updates RFC Link with settled schedule details. RFC Link data is downloaded to FHASL in order to record confirmed schedules.

6.16 Servicer Info

The Lender, Servicer and Investor information is displayed when a user selects the Servicer Info tab from the menu on the left side of the screen. Only authorized HUD NSC Contractor and HUD NSC Staff users will have the permission to transfer the HECM loan from one servicer/investor to other.

Bank information of a particular servicer/investor can only be viewed or edited by the authorized users belonging to the same firm. Upon completion of transfer of HECM loan to a servicer or Investor, the servicer manager or the Lender Manager of the new company can edit the Bank Account information. If loan is repurchased, then the loan is transferred from HUD to the previous lender/servicer. Refer to **Section 5.15** for the instructions to edit the Bank Account Information.

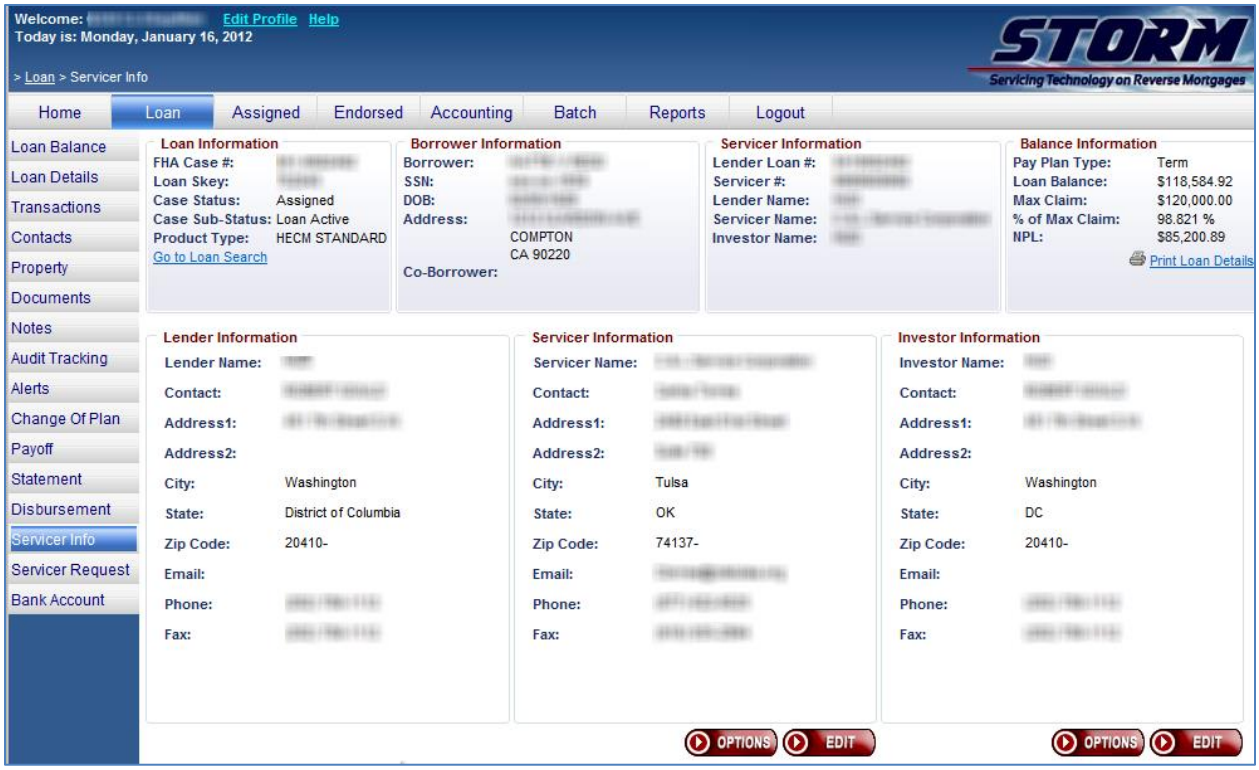


Figure 6-83: Servicer Information Screen

6.16.1 Transferring a Case to a Servicer

To transfer the servicer information for the selected loan:

Step 1. Click **Edit** in the Servicer Information section.

Step 2. On the **Edit Servicer** window, select a servicer from the dropdown.

Step 3. Change the **Servicer Name**.

Step 4. The contact information for the selected servicer is displayed.

Step 5. Select the effective transfer date (this is the first date of the month when the transfer must occur) from the dropdown.

Step 6. Click **Submit** to save the changes. The new information is displayed in the **Servicer Information** section.

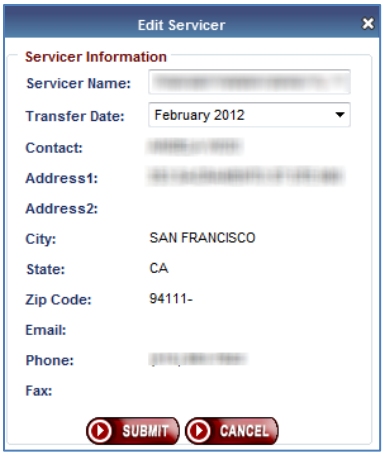


Figure 6-84: Transferring a Servicer

6.16.2 Transferring a Case to an Investor

To transfer the investor information for the selected loan:

Step 1. Click **Edit** in the Investor Information section.

Step 2. On the **Edit Investor** screen, select an investor from the dropdown.

Step 3. The contact information for the selected investor is displayed.

Step 4. Click **Submit** to save the changes. The new information is displayed in the **Investor Information** section.

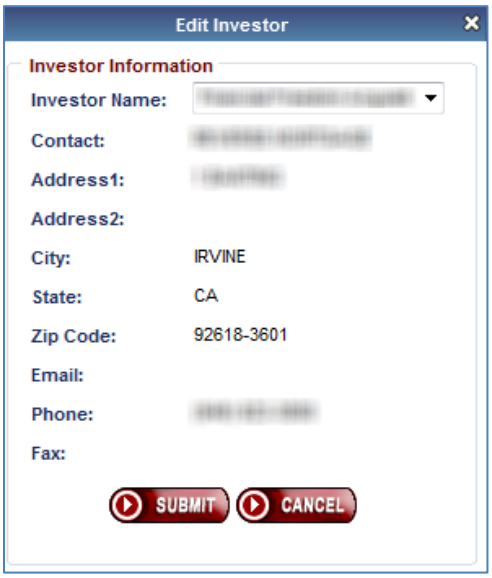


Figure 6-85: Transfer Investor Window

6.17 Servicer Request

This menu option is used only for Endorsed loans. Please refer to chapter 5, Servicer Request section for details.

6.18 Bank Account

The Borrower Bank Account Information screen is displayed when an authorized user selects the Bank Account tab from the menu on the left side of the screen. The Bank Account information will be used by the system to make the payments to the borrower (if payment method is selected as ACH). This screen allows authorized users with the ability to edit the Payment Method and Borrower's Bank Account information.

6.18.1 Editing Borrower Bank Account Information

To edit the bank account or payment method:

Step 1. Click **Edit** on the **Borrower Bank Account Information** section.

Step 2. To auto-populate the ABA routing number, click the **notepad icon** beside the field. A new window is displayed with bank name.

Step 3. Enter the **Bank Name** and click **Search.**

Step 4. From the search results, select the **Bank Name.** The ABA Routing Number of the Bank is populated.

Step 5. Enter the other fields on the **Bank Account Information** section.

Step 6. Click the dropdown list to update the **Payment Method** and select **Check/ACH**.

Step 7. Click **Submit** to save the changes. The updated information is displayed on the **Borrower Bank Account Information** section.

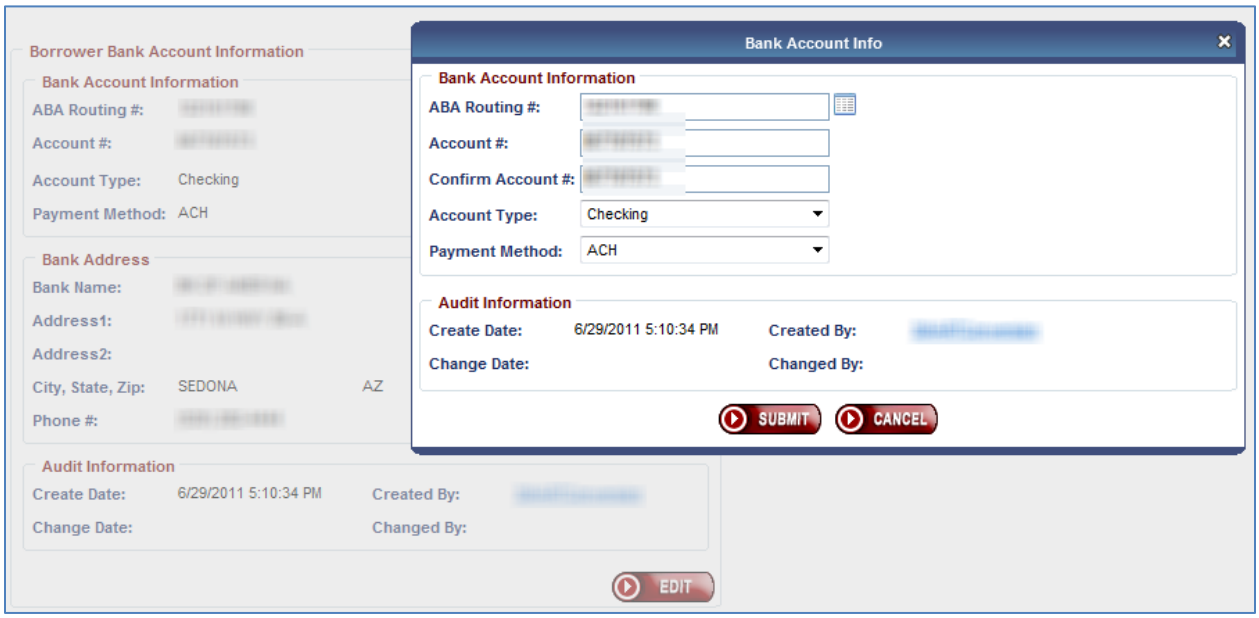


Figure 6-86: Edit Borrower Bank Account Information Window

6.19 Accounting

The Accounting tab enables authorized users to track the status of the payables and receivables transactions generated for a loan. The Accounting Menu option has the following sub-menu options:

- Transmittals
- Disbursements
- Authorizations
- Premiums
- Refunds
- Claims

6.19.1 Transmittals

The Transmittal screen is displayed when an authorized user selects the Transmittal under the Accounting tab displayed in the top menu. This screen provides the history of all the batches generated in the Servicing Module and sent to the Accounting Module for payment processing. The transactions include Premiums (IMIP, MIP, and Refunds), Notes (Disbursements, Monthly Accruals, Other) and Claims (Payables and Receivables).

The Transmittal screen provides the following search criteria:

Field	Description
Batch #	Unique ID for each batch.
Batch Type	Selection from dropdown values.
Servicer Name	Name of the Servicer servicing the loan.
Created Date (From and To Dates)	Date the batch was created.
Batch Status Category	Selection from dropdown values.

Table 6-11: Transmittal Screen Search Criteria

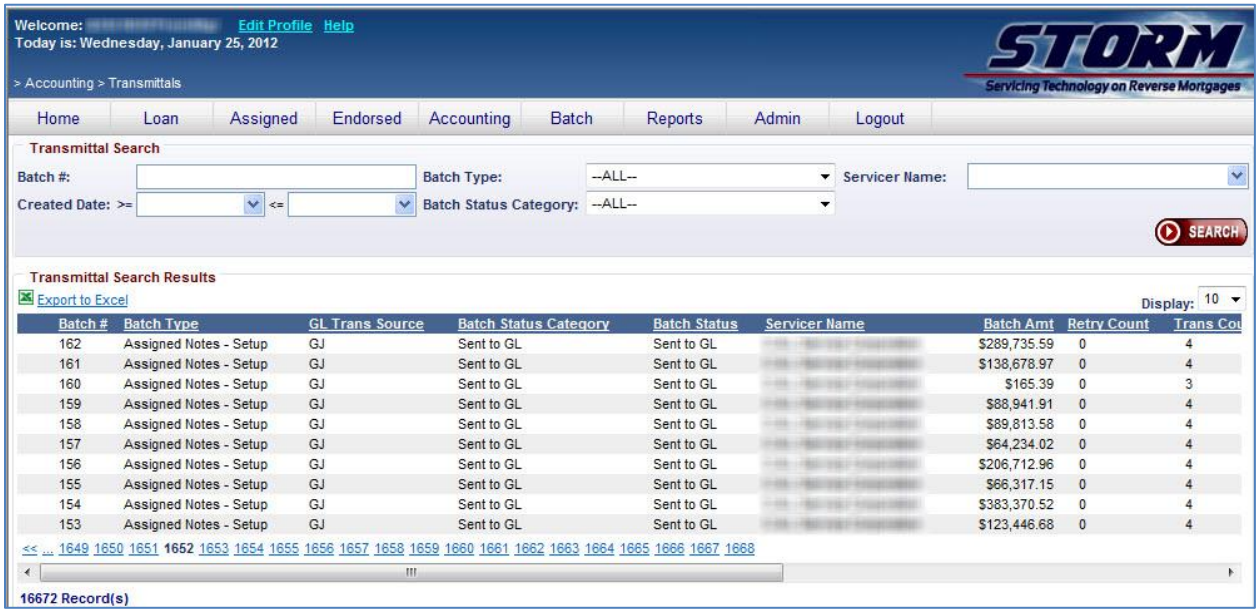


Figure 6-87: Transmittals Search Results Screen

6.19.1.1 Notes Batch Statuses

The Notes transaction batch statuses are listed in the table below.

Batch Status Category	Batch Status	Detail Description
Ready to Transmit/Retry	Ready to Transmit	Batch Created but Interface file not generated yet.
Sent to GL	Sent to GL	Batch Created and File Sent to Accounting Module and waiting on Response from Accounting Module.
Receivable/Payable Established	Success – Disbursed	Payment was successfully completed.
Receivable/Payable Established	Success	Batch was successfully uploaded in the Accounting Module.
Failure – Technical Issues	Failure	Batch could not be uploaded primarily due to technical or format issues.

Table 6-12: Notes Batch Statuses

6.19.1.2 Claims Batch Statuses

The Claims transaction batch statuses are listed in the table below.

Batch Status Category	Batch Status	Detailed Description
Ready to Transmit/Retry	Ready to Transmit Held	Claims payable/receivable batch created but interface file not generated yet.
Ready to Transmit/Retry	Ready To Retry	Lender has fixed bank info or NSF issues and has authorized a retry of collection.
Sent to GL	Sent to GL Held	Claims payable/receivable batch created and file sent to Accounting Module and waiting on response from Accounting Module.
Receivable/Payable Established	Success - Held	Claims payable/receivable batch was Successfully uploaded in Accounting Module.
Failure – Technical Issues	Failure - Held	Claims payable/receivable batch could not be uploaded primarily due to technical or format issues.
Ready to Transmit/Retry	Ready to Transmit Disburse	Claims payable release batch created but interface file not generated yet.
Sent to GL	Sent to GL Disburse	Claims payable release batch created and file sent to Accounting Module and waiting on response from Accounting Module.
Receivable/Payable Established	Success - Disburse	Claims payable batch release was successfully uploaded in Accounting Module.
Failure – Technical Issues	Failure - Disburse	Claims payable release batch could not be uploaded primarily due to technical or format issues.
Receivable/Payable Established	Disbursed	Payment was successfully completed.

Batch Status Category	Batch Status	Detailed Description
Failed	Rejected	Claims Payment was cancelled for some reason in pay.gov.
Ready to Transmit/Retry	Ready to Transmit Collect	Claims receivable release batch created but Interface file not generated yet.
Sent to GL	Sent to GL Collect	Claims receivable release batch created and file sent to Accounting Module and waiting on response from Accounting Module.
Collection/Payment Collected	Success - Collect	Claims receivable release batch was successfully uploaded in Accounting Module.
Failure – Technical Issues	Failure – Collect	Claims receivable release batch could not be uploaded primarily due to technical or format issues
Collection/Payment Collected	Settled	Collection was Successful in Pay.gov.
Failed	Retired	Collection was not completed in pay.gov (probably due to NSF).

Table 6-13: Claims Batch Statuses

6.19.1.3 Viewing Batch Details

To view batch details:

Step 1. Enter the search criteria and click **Search** on the **Transmittals Search** section.

Step 2. The search results matching the search criteria are displayed in the **Transmittal Search Results** section.

Step 3. Select a record displayed in the search results. The **Batch Details** screen is displayed.

- **Batch Details:** Displays the loans/FHA cases sent to the Accounting Module in that batch. The details of the batch vary and depend on the batch type selected.
- **Audit Tracking:** Enables users to view the audit of the batch status values.

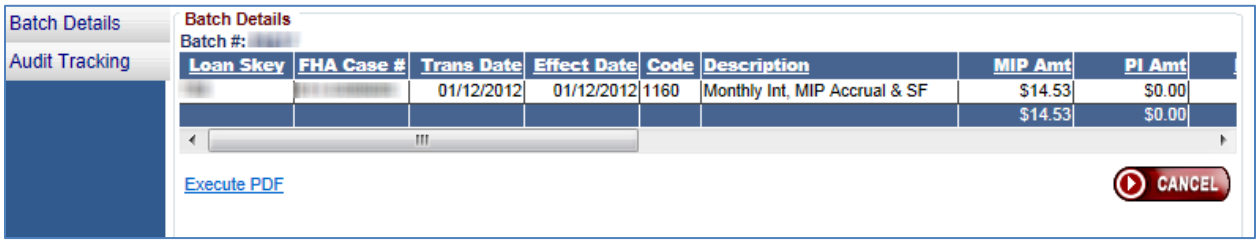


Figure 6-88: Batch Details Screen

Step 4. Select Audit Tracking menu on the **Batch Details** screen to view the **Audit Results** screen.

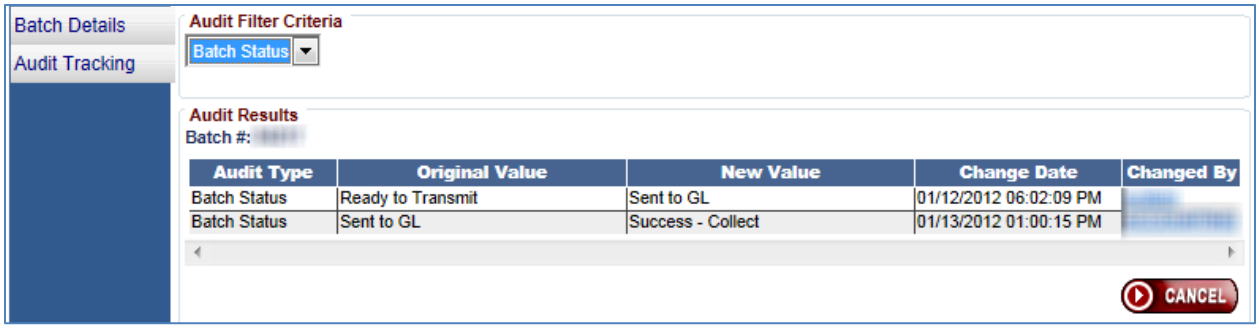


Figure 6-89: Audit Results Screen

6.19.2 Disbursements

The Disbursements screen is displayed when an authorized user selects Disbursements under the Accounting tab displayed in the top menu. This screen displays the Notes disbursement transactions that need a cash supervisor to print the check / approve the ACH transaction. Upon approval, the transaction is released to the Accounting Module for disbursement.

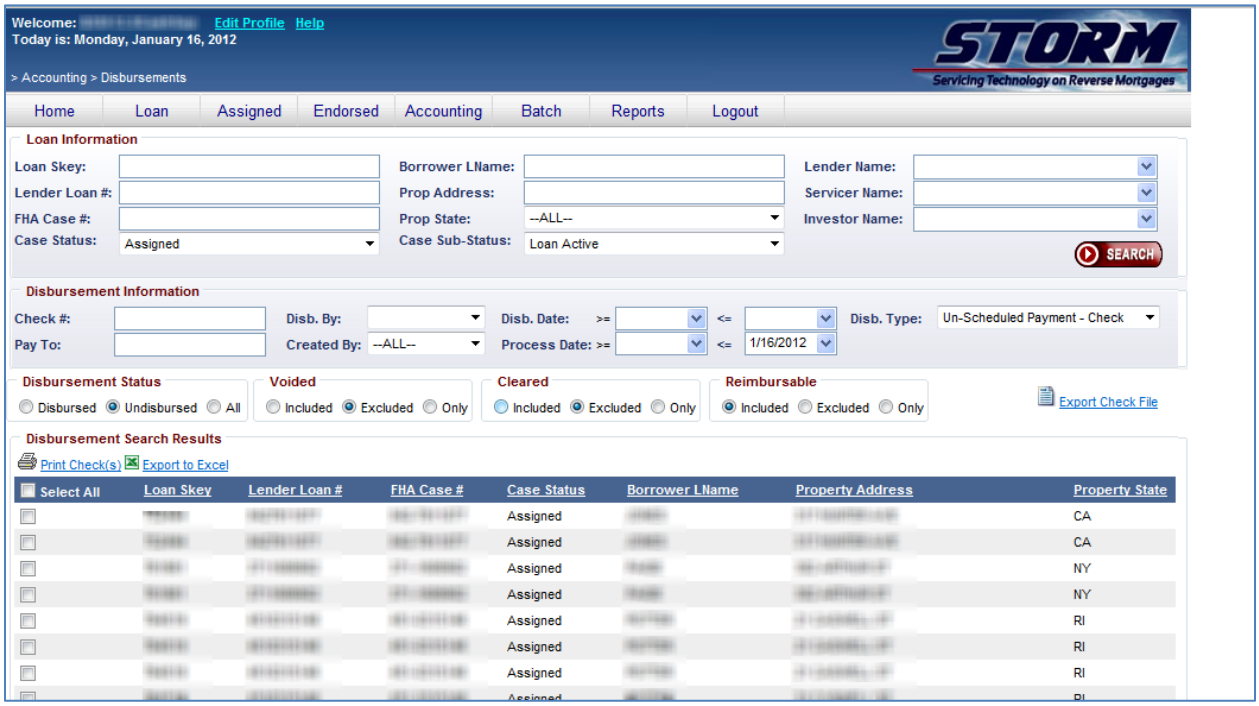


Figure 6-90: Disbursements Screen

The Disbursements screen provides the following search criteria:

Field	Description
Loan Skey	Unique ID for each FHA case.
Lender Loan #	Unique Loan Number assigned by the lender.
FHA Case #	The HECM Case number.
Case Status	Selection from dropdown values.

Field	Description
Borrower LName	The last name of the borrower.
Prop Address	The line 1 of the property address.
Prop State	The property state.
Case Sub-Status	Selection from dropdown values for the selected case status.
Servicer Name	Name of the servicer on the loan.
Lender Name	Name of the lender on the loan.
Investor Name	Name of the investor on the loan.

Table 6-14: Loan Information

Field	Description
Check #	Unique ID for each check.
Pay To	Populate the value.
Disb. By	The user ID that approved the Disbursement transaction.
Created By	The user ID that initiated the Disbursement transaction.
Disb. Date	The date the Disbursement transaction was approved.
Process Date	The date the Disbursement transaction was initiated.
Disb Type	Selection from dropdown values.
Disbursement Status	Selectable options of Disbursed or Undisbursed or All.
Voided	Selectable options of Included or Excluded or Only.
Cleared	Selectable options of Included or Excluded or Only.
Reimbursable	Selectable options of Included or Excluded or Only.

Table 6-15: Disbursement Information

6.19.2.1 View Disbursements

To view the disbursement:

Step 1. Enter the search criteria and click **Search** on the **Disbursements** screen to display the transactions.

Step 2. The search results matching the search criteria are displayed in the **Search Results** section.

Step 3. Select the record displayed in the search results. The **Edit Disbursement** window is displayed.

Figure 6-91: Edit Disbursement Window

6.19.2.2 Print Check

To print a check:

The authorized user should print the check when the payment method is Check. This will trigger the transactions to Accounting Module. The below steps are used to print checks for all disbursement types.

Step 1. Select a Disbursement Type based on the disbursement type created in the New Disbursement window, selecting this field will enable the **Print Check(s)** link to print the check. If this field is left blank the **Print Check(s)** option is not available.

Step 2. Enter other search criteria; click **Search** on the **Disbursements** screen to display the transactions.

Step 3. The search results matching the search criteria are displayed in the **Search Results** section.

Step 4. Select the checkboxes for the records that need checks. Click the **Print Check(s)** link under the **Disbursement Search Results** section.

Step 5. Select **Print Preview** on the **Print Summary** window.

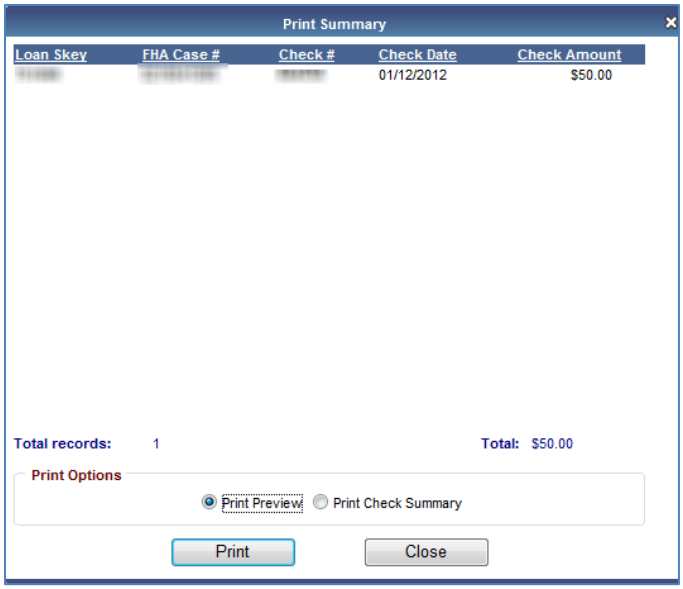


Figure 6-92: Viewing the Print Summary

Step 6. Click **Print**.

Step 7. Click **Yes** on the **Printer Paper** message window. Completing this step will display the check in a PDF file.

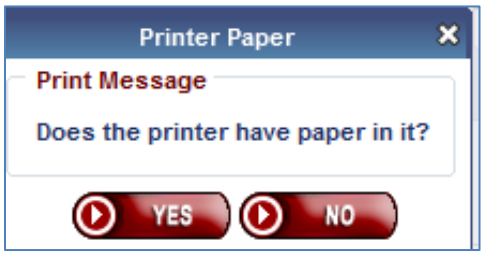
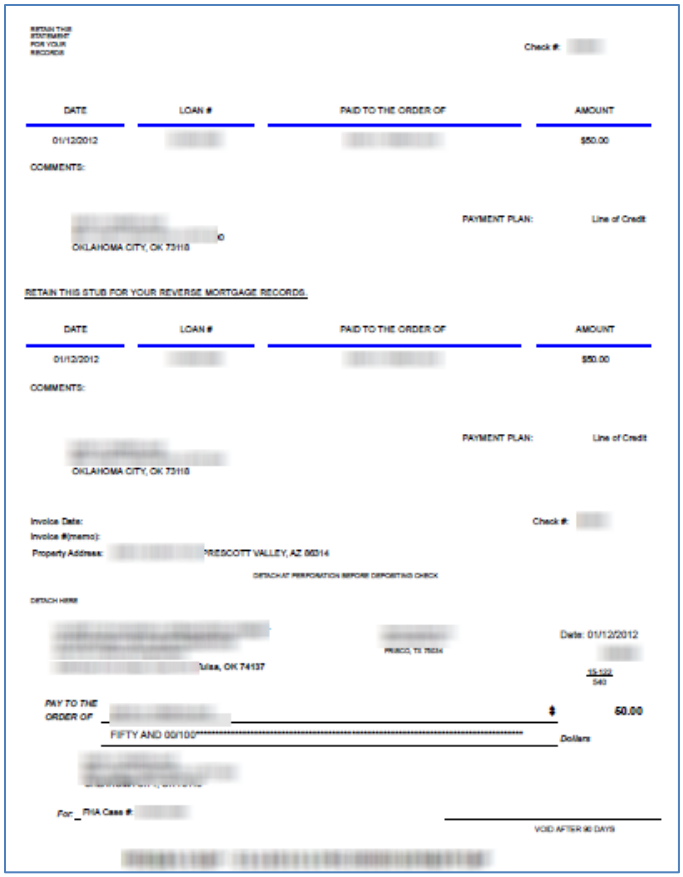


Figure 6-93: Printer Paper Message

Step 8. Click **Yes** on the **Print Checks** message if the check printed correctly. Completing this step will send the transaction to the Accounting Module. The Disbursement Search Results section will not display the transaction any more.

Step 9. Click **No** on the Print Checks message only if the check did not print successfully. Selecting this option will allow printing the check again.


RETAIN THIS STATEMENT FOR YOUR RECORDS

Check #:

DATE	LOAN #	PAID TO THE ORDER OF	AMOUNT
01/12/2012			$50.00

COMMENTS:

PAYMENT PLAN: Line of Credit

OKLAHOMA CITY, OK 73118

RETAIN THIS STUB FOR YOUR REVERSE MORTGAGE RECORDS.

DATE	LOAN #	PAID TO THE ORDER OF	AMOUNT
01/12/2012			$50.00

COMMENTS:

PAYMENT PLAN: Line of Credit

OKLAHOMA CITY, OK 73118

Invoice Date:
Invoice #(memo):
Property Address: PRESCOTT VALLEY, AZ 86314

DETACH AT PERFORATION BEFORE DEPOSITING CHECK

Check #:

DETACH HERE

PRICO, TX 76034

Date: 01/12/2012

Tulsa, OK 74137

PAY TO THE ORDER OF $ 50.00

FIFTY AND 00/100 Dollars

For: FHA Case #:

VOID AFTER 90 DAYS

Figure 6-94: Printed Checks

6.19.2.3 ACH Payments

The authorized user should generate the ACH file when the payment method is ACH. All ACH payments authorized by HUD to the homeowners/vendors are sent to an authorized bank. The bank makes these payments on behalf of HUD via direct deposit to the borrower's/vendor's account. In order to send the payment transaction to the servicing financial institution, the Servicing Module enables selecting all ACH payments and exporting to a file which can be saved. This file then can be manually loaded to the serving financial institution for direct deposit.

To generate the ACH file:

Step 1. Select the Disbursement Type as ACH, selecting this field will enable the **Export to NACHA** link to export the ACH file. If this field is left blank, the link is not displayed.

Step 2. Enter other search criteria; click **Search** on the **Disbursements** screen to display the transactions.

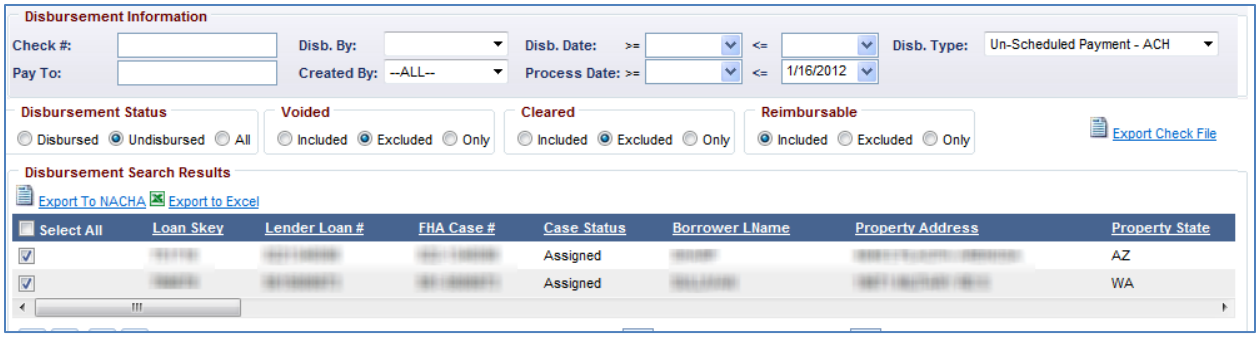


Figure 6-95: Disbursement Search Results

Step 3. The search results matching the search criteria are displayed in the **Search Results** section.

Step 4. Click the **Export NACHA File** link. The selected ACH transaction is exported to a Notepad. Save this file to manually upload to the servicing financial institution.

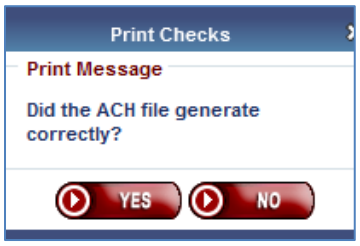


Figure 6-96: Print Checks Window

Step 5. Click **Yes** if the file exported correctly on the **Print Checks** window. This completes the generation of the Export file. Click **No** if the file was not generated successfully. This enables the user to re-generate the file.

6.19.2.4 Void Check

The Servicing Module allows the authorized user to void a check if the disbursement transaction has not been sent to Accounting Module.

To void a check:

Step 1. Enter search criteria; click **Search** on the **Disbursements** screen to display the transactions.

Step 2. The search results matching the search criteria are displayed in the **Search Results** section.

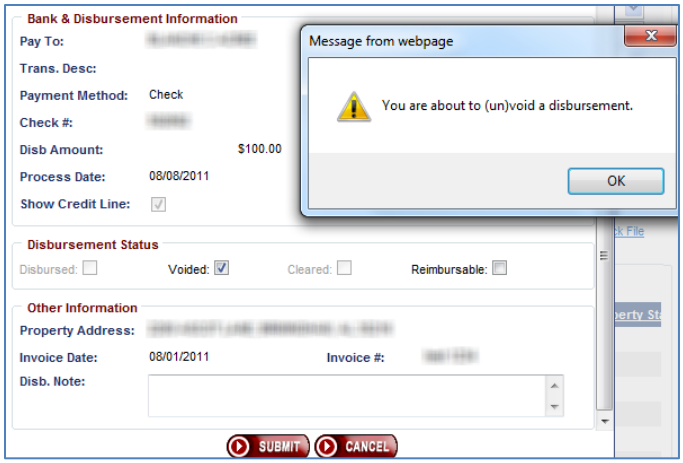


Figure 6-97: Void Check

Step 3. Select the record that you want to void the check.

Step 4. Scroll to the bottom of the **Edit Disbursement** window.

Step 5. Click the checkbox next to **Voided** at the Disbursement Status section of the Edit Disbursement screen.

Step 6. View the "You are about to (un)void a disbursement" message.

Step 7. Click **OK** to confirm the action.

6.19.3 Authorizations

The Authorizations screen is displayed when an authorized user selects Authorizations under the Accounting tab displayed in the top menu. This screen displays the transactions that need authorization for collection from a lender/investor/servicer. Upon authorization, the transaction will no longer be displayed on the screen.

The Authorizations screen provides the following search criteria:

Field	Description
Loan Skey	Unique ID for each FHA Case.
FHA Case #	The HECM Case number.
Servicer Name	Name of the Servicer that previously serviced the loan.

Table 6-16: Search Criteria for Authorizations

To authorize a Repurchase transaction:

Step 1. Enter the search criteria and click **Search** on the **Authorizations** screen to display the Repurchase transactions.

Step 2. The search results matching the search criteria are displayed in the **Search Results** section.

Step 3. Select the record displayed in the search results. The **Authorization Information** window is displayed.

Step 4. Click **Approve** on the **Authorization Information** window. To exit without approving click **Cancel**.

Step 5. Once approved, the claims receivable transaction is released to the Accounting Module for payment collection. The updated batch status of the transaction can be viewed using the **Transmittals** screen of the Servicing Module.

Figure 6-98: Authorize a Repurchase Transaction

6.20 Batch

The Batch menu option provides the HUD NSC Contractor with the access to Vendor Upload screen.

6.20.1 Vendor Upload

The Vendor Upload screen provides the HUD NSC Contractor to process the following files:

- BANKO
- FARETS

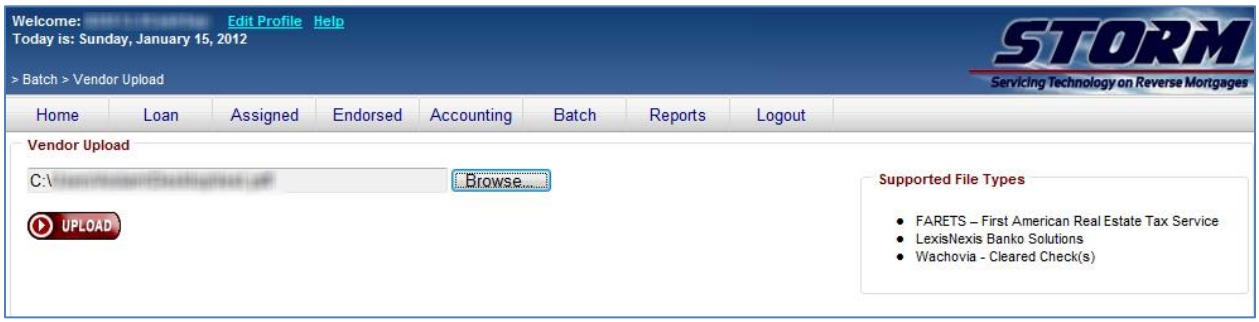


Figure 6-99: Vendor Upload Screen

6.20.1.1 BANKO

BANKO file is used to track death and bankruptcy activity on all HECM loans serviced by the HUD NSC Contractor. The Servicing Module will allow authorized user to generate a file with the list of assigned loans. The HUD NSC Contractor will use its internal processes and procedures to process this file and generate the return files. The return files will be uploaded into HERMIT via the vendor upload screen.

To generate the BANKO file:

Step 1. Click **Reports** tab from the top menu.

Step 2. Click Export BANKO File from the Assigned Notes Reports.

Step 3. Click the **Export BANKO File** link to generate the file.

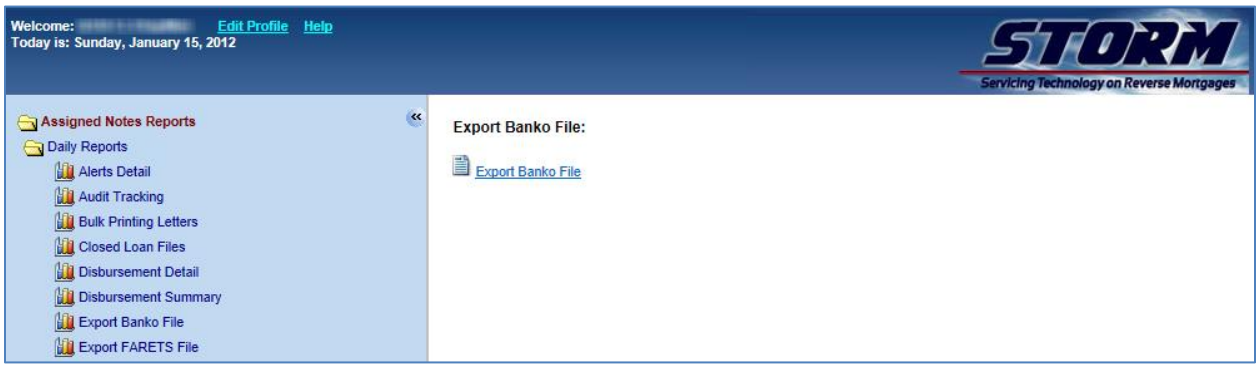


Figure 6-100: Generate BANKO File

To upload the BANKO Response file (Bankruptcy File and Notification of Death):

Step 1. Click **Batch - Vendor Upload** on the top menu.

Step 2. Click **Browse** on the **Vendor Upload** screen to attach the BANKO return file.

Step 3. Click **Upload.** The **Import Results** section displays the details of the upload results.

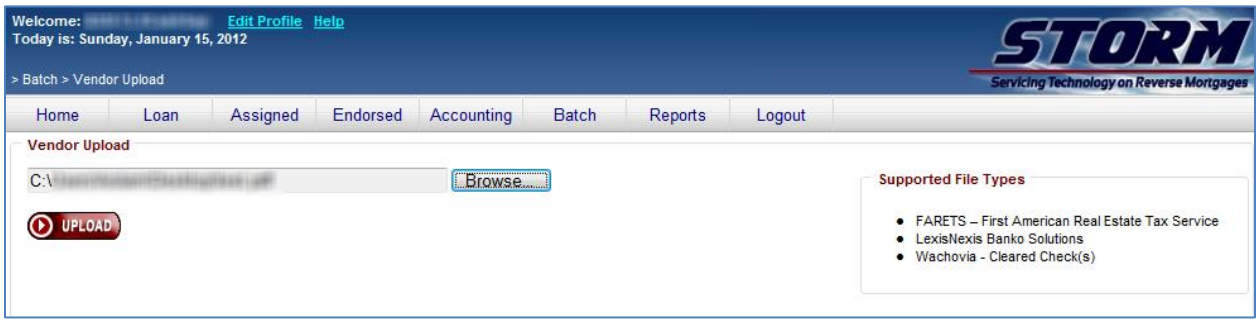


Figure 6-101: Upload BANKO File

Step 4. The system will process the file and validate the records in the BANKO return file:
- If all the critical validations pass for the record, the record is uploaded
- If any of the critical validations fail, the record is not uploaded in the Servicing Module

Step 5. The processing status of each record within the file is displayed:
- **Rec#:** The record number of the case within the file
- **FHA Case#:** The case number associated with the record
- **Status:** The status of the uploaded record (Success, error or warning)
- **Errors:** Description of the errors associated with the record
- **Warnings:** Description of the warnings associated with the record

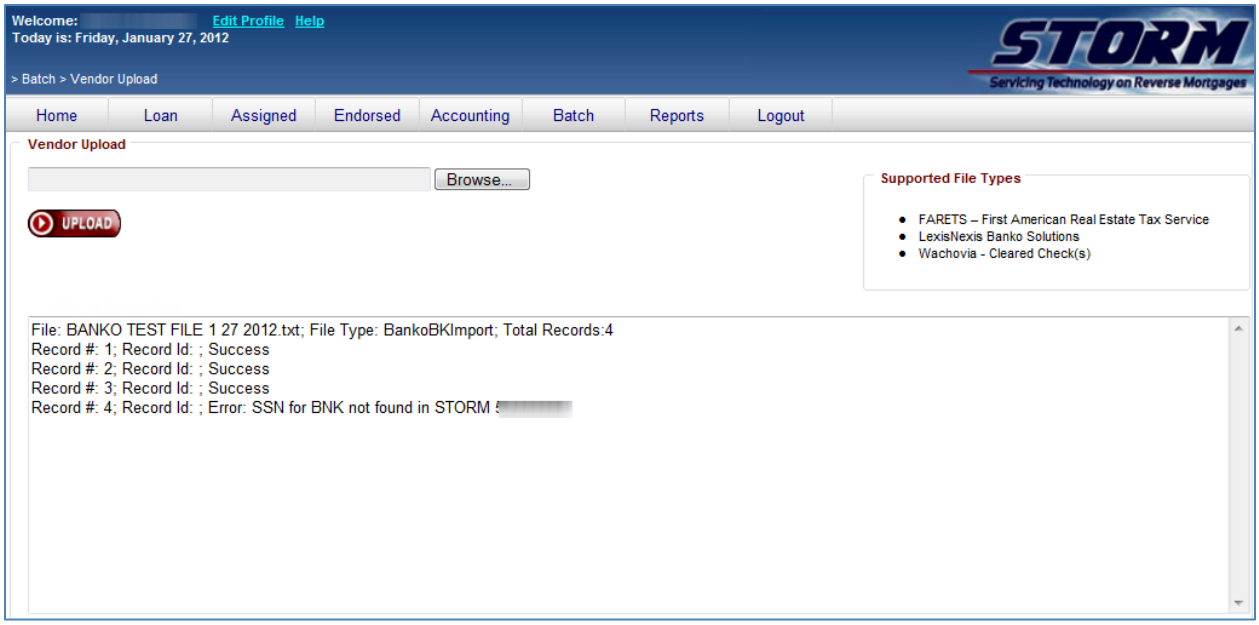


Figure 6-102: BANKO Return File Import Results for Bankruptcy

Step 6. For the records that are successfully processed:

- The system will initiate the Bankruptcy Timeline for the records with a Bankruptcy indicator
- The system will update the Borrowers Date of Death for the records with a Death indicator

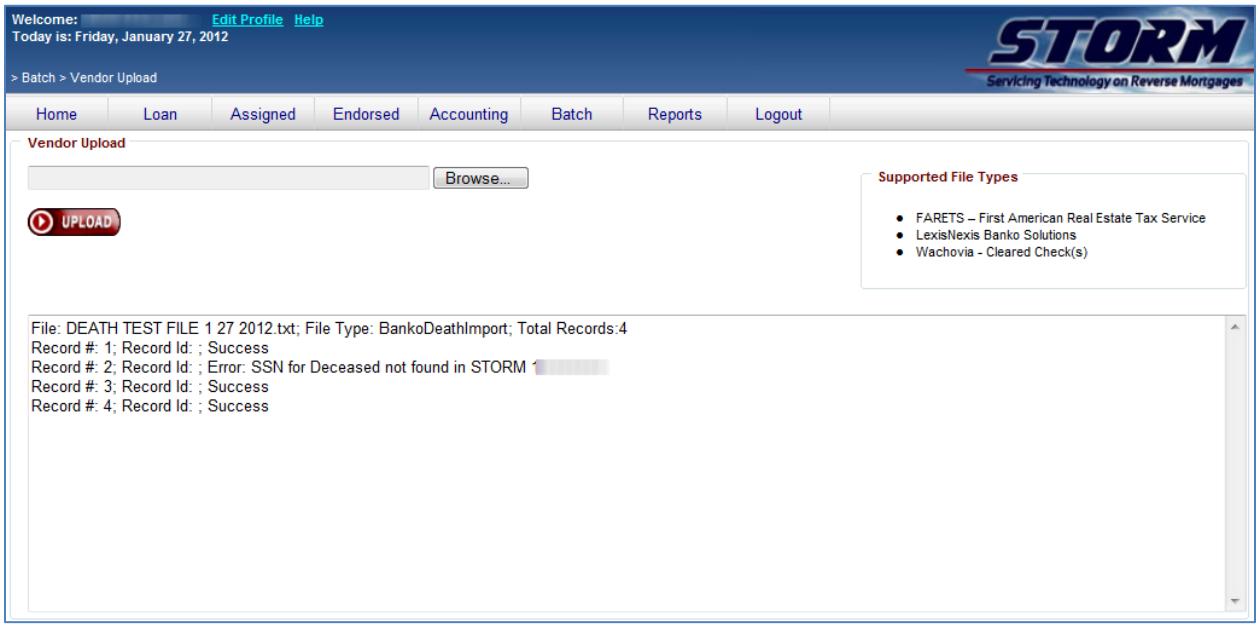


Figure 6-103: BANKO Return File Import Results for Notification of Death

6.20.1.2 FARETS

FARETS file is used to track the tax delinquency on all HECM loans serviced by the HUD NSC Contractor. The Servicing Module will allow authorized user to generate a file with list of assigned

loans. The HUD NSC Contractor will use its internal processes and procedures to process this file and generate the return files. The return files will be uploaded into HERMIT via the vendor upload screen.

To generate the FARETS file:

Step 1. Click **Reports** tab from the top menu.

Step 2. Click E**xport FARETS File** from the **Assigned Notes Reports.**

Step 3. Enter the Start and End Dates.

Step 4. Click the **Export FARETS File** link to generate the file.

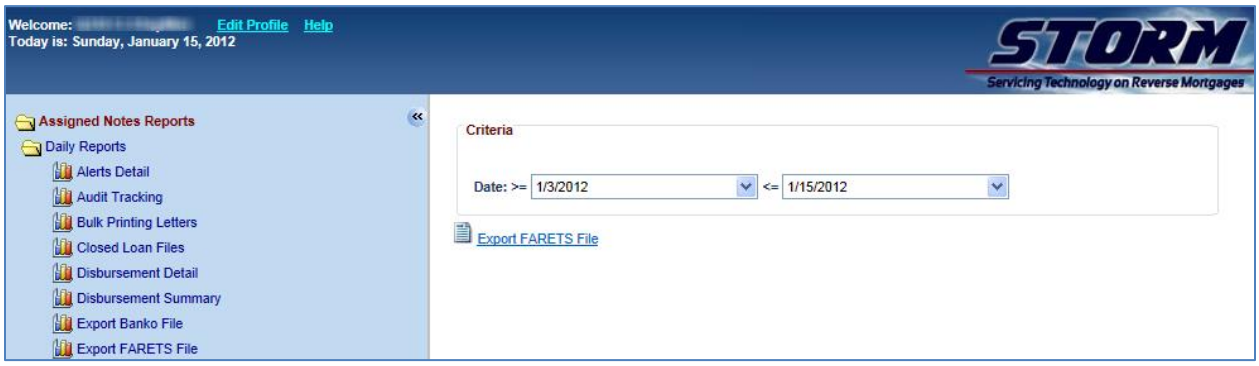


Figure 6-104: Generate FARETS Files

To upload the FARETS Response file:

Step 1. Click **Batch - Vendor Upload** on the top menu.

Step 2. Click **Browse** on the **Vendor Upload** screen to attach the FARETS return file.

Step 3. Click **Upload.** The **Import Results** section displays the details of the upload results.

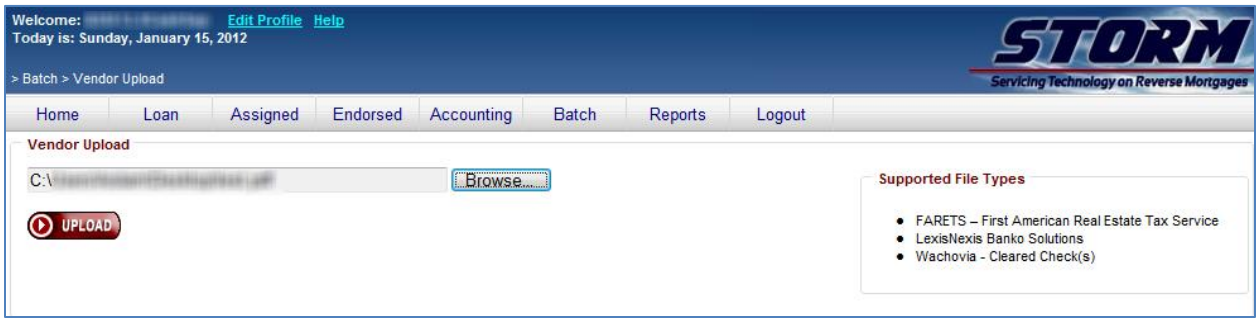


Figure 6-105: Upload FARETS File

Step 4. The system will process the file and validate the records within the FARETS return file:
- If all the critical validations pass for the record, the record is uploaded
- If any of the critical validations fail, the record is not uploaded in the Servicing Module

Step 5. The processing status of each record within the file is displayed:
- **Rec#:** The record number of the case within the file
- **FHA Case#:** The case number associated with the record
- **Status:** The status of the uploaded record (Success, error or warning)

- **Errors:** Description of the errors associated with the record
- **Warnings:** Description of the warnings associated with the record

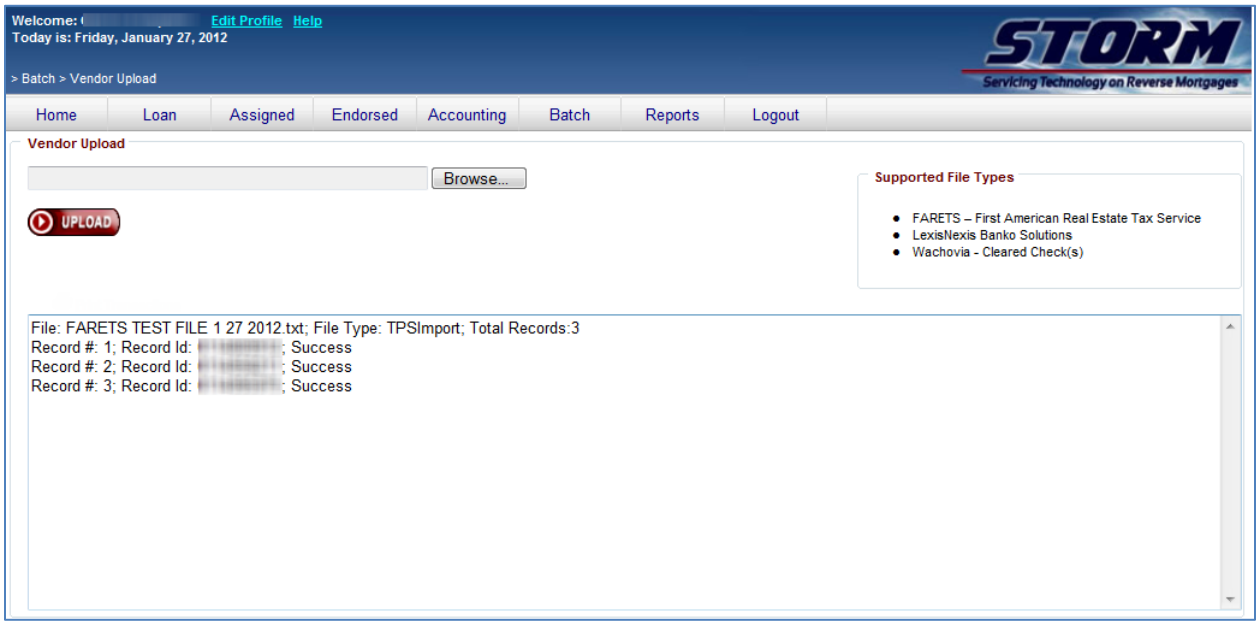


Figure 6-106: FARETS Return File Upload Results

Step 6. For the records that are successfully processed, the system will initiate the Taxes Delinquency Timeline.