



HERMIT

Home Equity Reverse Mortgage Information Technology

Refresher Training
Transaction Management
Session 3 – Sept 25, 2012
2:00 – 3:00 pm EST
(Provided By: RMS/QSSI)

Training Schedule

DAY	Time	Audience	Modules
DAY 1	<ul style="list-style-type: none"> 2:00 PM – 3:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Loan Setup: <ul style="list-style-type: none"> Manual and B2G Late Charges and Interest Refunds Request Initial Transfer
	<ul style="list-style-type: none"> 4:00 PM – 5:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Loan Module: <ul style="list-style-type: none"> Loan Balance and Loan Details Manage Contacts, Property Information and Values Upload Documents Notes and Audit Tracking Change of Plan Update servicer Bank Information Transfer Servicer (Manual and B2G)

Training Schedule

DAY	Time	Audience	Modules
DAY 2	<ul style="list-style-type: none"> 2:00 PM – 3:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Transaction Management: <ul style="list-style-type: none"> Scheduled Disbursements and Monthly Accruals Unscheduled Disbursements Property Charges Pre D&P-ML 2011-01 Corporate Advances – Preservation and Protection Partial Repayments and Full Payoffs/Terminations B2G Transactions File Upload
	<ul style="list-style-type: none"> 4:00 PM – 5:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Servicing Requests: <ul style="list-style-type: none"> D&P w/HUD approval Preservation and Protection Request for HUD Advance Extension timelines Investor Short Sale
DAY 3	<ul style="list-style-type: none"> 2:00 PM – 3:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Claim Type 22 (Assignment and Repurchase)
	<ul style="list-style-type: none"> 4:00 PM – 5:00 PM ET 	<ul style="list-style-type: none"> HECM Mortgagees 	Initiation and Submission of Claims: <ul style="list-style-type: none"> Claim Type 21 Claim Type 23 Claim Type 24

HERMIT System Reminders

- 9/28 - IACS Transaction entry cutoff date
- 9/28 – EVARS entry cutoff date
- 10/1 - IACS will be in 'read-only' mode
- 10/1 - HERMIT becomes the system of record for HUD
- 10/9 - HERMIT accessible to all users

HERMIT System Reminders

➤ 10/9 - HERMIT action items / process reminders:

- Execute 'catch up' activities performed between 10/1 and 10/8
- Validate Servicer bank accounts; update if needed
- Servicer Requests - must submit in HERMIT; new Servicer Requests will no longer be accepted by HUD's Loan Servicing Contractor
- Extension Requests - must submit in HERMIT; new Extension Requests will no longer be accepted by EVARS
- Date of Death Notifications - must report DOD events in HERMIT
- Initiation of Foreclosure - must report Foreclosure initiations in HERMIT

HECM Communication

➤ System Inquiries

- HERMIT – support@hecmsp.com
- FHA Connection – SFAdmin@hud.gov

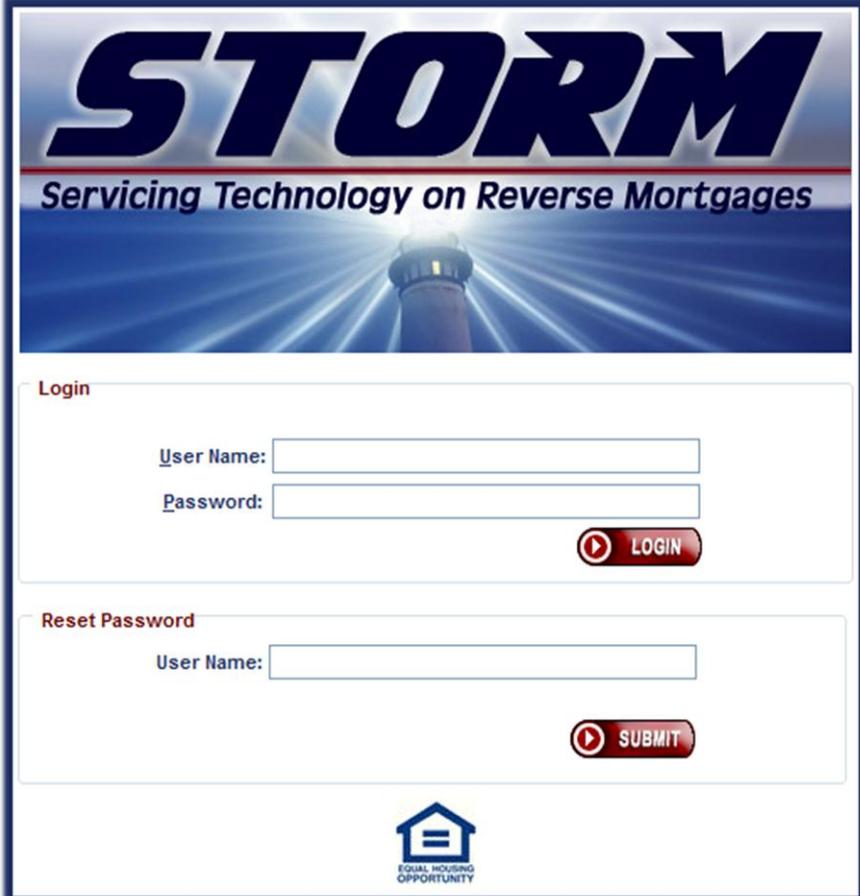
➤ Transition Questions – IACSAdmin@hud.gov

➤ Policy Inquiries

- Loan Origination and Premiums – hecmin@hud.gov
- Servicing & Loss Mitigation – HECMservicing@hud.gov
- Claims – FHA_SFclaims@hud.gov

System Login

- Open Internet Explorer and go to **<http://www.hecmSP.com>**
- Enter User Name and Password
 - Passwords are case sensitive
- Available functions are provided through defined user roles



STORM
Servicing Technology on Reverse Mortgages

Login

User Name:

Password:



Reset Password

User Name:





Home Page

Recently Viewed

Rates

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

Recently Viewed

FHA Case #	Servicer Name	Borrower LName	Case Status
001-2007076	Reverse Mortgage Solutions	COZZEL	Endorsed
011-0000064	Reverse Mortgage Solutions	EASTBURN	Endorsed
011-0000725	Reverse Mortgage Solutions	WIDONE	Endorsed
011-0340000	Reverse Mortgage Solutions	GILL	Endorsed

Announcements

03/01/2012 Originator/Servicer Training to be conducted in June/July

Rates

Index Type	Previous	Current	Next
1-Year CMT	0.120	0.170	0.200
1-Month CMT	0.030	0.060	0.070
1-Month LIBOR	0.270	0.244	0.241
1-Year LIBOR	1.099	1.066	1.052

Helpful Links

- [HUD Debenture Interest Rate](#) - HUD Debenture Interest Rate
- [HECM Mortgagee Letters](#) - All HECM Mortgagee Letters
- [Adobe Reader](#) - Get Adobe Reader
- [HUD Clips](#) - Mortgagee Letters

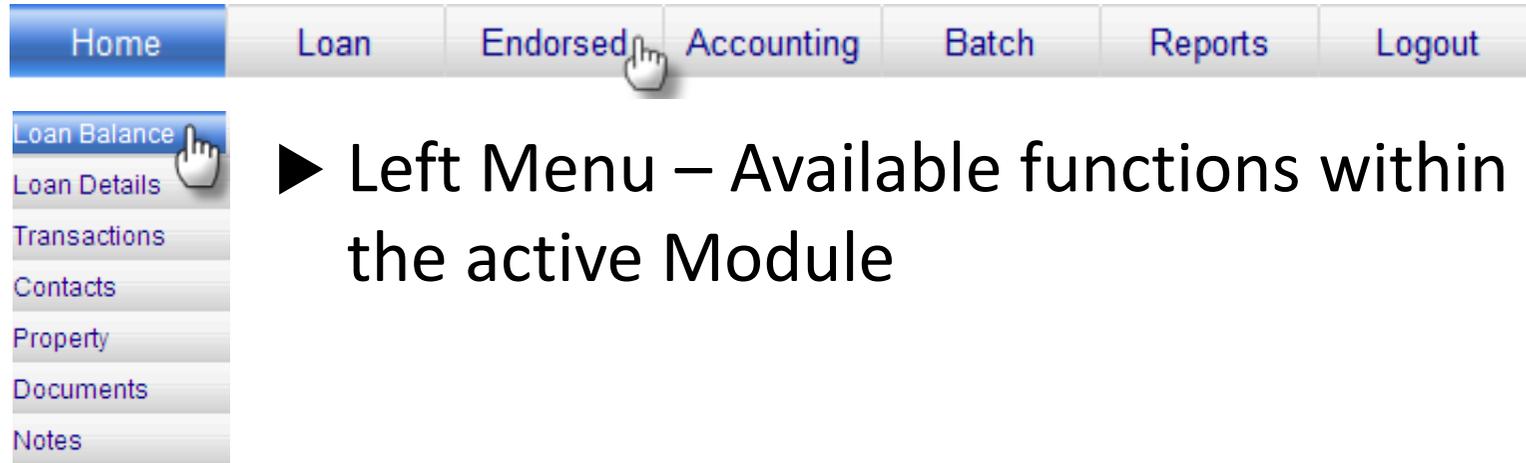
Announcements (Message Board)

Helpful Links

User Guide: 2.4

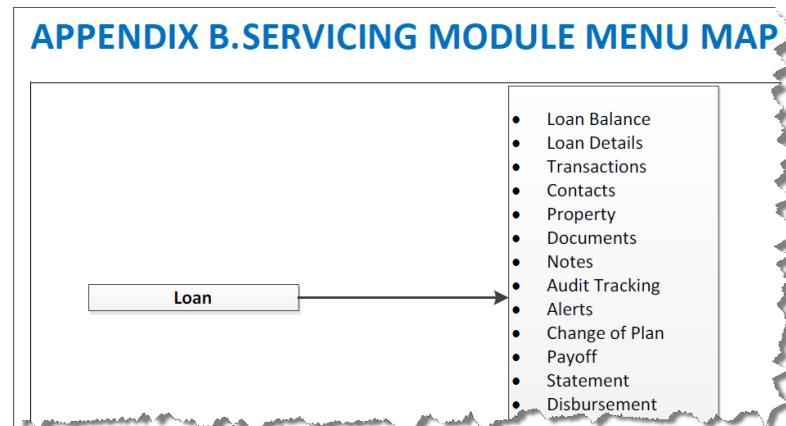
Screen Navigation

▼ Top Menu – Available Modules



▶ Left Menu – Available functions within the active Module

➤ Refer to the User Guide, Appendix B for a detailed Navigation Map



User Guide: 2.4

Loan Search Engine

- Search, review and edit loan level information



- Find loans based on a number of different criteria

Examples: *Loan Status* | *Borrower Name* | *Servicer Name* | *Property Location* |

- Multiple fields can be used to narrow the search results

- To search, click  on the top menu bar, enter your search criteria and click 

Loan Search Results

Loan Search Results
[Export to Excel](#)

Loan Skey	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Index Type	Property Address	Property State	P
4		042-	Endorsed	Loan Active		1-Year CMT	32	CA	C
4		042-	Endorsed	Loan Active		1-Month CMT	11	CA	A
4		042-	Endorsed	Loan Active		1-Month CMT	12	CA	L
4		042-	Endorsed	Loan Active		1-Month LIBOR	21	CA	C
4		042-	Endorsed	Loan Active		1-Month LIBOR	10	CA	S
4		042-	Endorsed	Loan Active		1-Month LIBOR	15	CA	S
4		042-	Endorsed	Loan Active		1-Month LIBOR	29	CA	S

- Change sort order by clicking any column heading
- Total records found are displayed below the search results
- Change results per page
 - Default is 10 results per page
- Export to Excel
 - Please note that the result limit is 10,000 records at one time

page: of 458 results per page:



Transaction Management

September 25th, 2012

2:00 PM – 3:00 PM EST

Transactions - Overview

- Loan Balance Transactions must be kept current
 - Daily reconciliation is highly encouraged
- Loan Balance Transactions are viewable in “real time”
- Some Transactions are “System Generated” transactions
- Lender/Servicer Initiated Transactions options include:
 1. Individual Loan Level (Loan menu)
 2. Batch Entry (Batch menu)
 3. B2G File Upload (Servicer File Upload)
- Export Loan Transactions to reconcile the loan balance on a regular basis

Monthly Scheduled Transactions

- Automated Monthly Transactions on active loans:
 - Loan Balance Accruals
 - Monthly Interest
 - Monthly MIP
 - Service Fee
 - Scheduled Disbursements based on Pay Plan
 - Payments can be suspended when appropriate
 - Principal Limit (CPL) Growth, Credit Line Growth, etc.
 - Service Fee Set Aside (SFSA) – Monthly Reduction

Transaction Management

➤ Loan Balance Transactions

- All the Transactions associated with a loan are displayed including System Generated and Lender/Servicer created transactions

Loan Transaction Filter

Filter Criteria:

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#) Display: 10

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans A
04/30/2012	04/30/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$776.12	\$65.44	\$30.00	\$871
03/31/2012	03/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$771.84	\$65.08	\$30.00	\$866
02/29/2012	02/29/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$767.57	\$64.72	\$30.00	\$862
01/31/2012	01/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$763.34	\$64.36	\$30.00	\$857
12/31/2011	12/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$759.12	\$64.01	\$30.00	\$853
11/30/2011	11/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$754.93	\$63.65	\$30.00	\$848
10/31/2011	10/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$750.78	\$63.30	\$30.00	\$844
 10/17/2011	09/20/2011	1350	Disb - Unscheduled from LOC	\$17.00	\$0.00	\$0.00	\$0.00	\$17
09/30/2011	09/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$746.52	\$62.95	\$30.00	\$839
08/31/2011	08/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$742.40	\$62.59	\$30.00	\$834
				\$114,469.62	\$35,661.41	\$6,206.83	\$1,590.00	\$157,927

Transaction Management

- Accessing **Loan Balance** Transactions
 - Select a **Loan** from the Main Menu
 - Enter Search criteria on Loan Search Page
 - Click Search
 - Select a loan from the Search Results
 - Click Transactions → Loan



Transaction Management

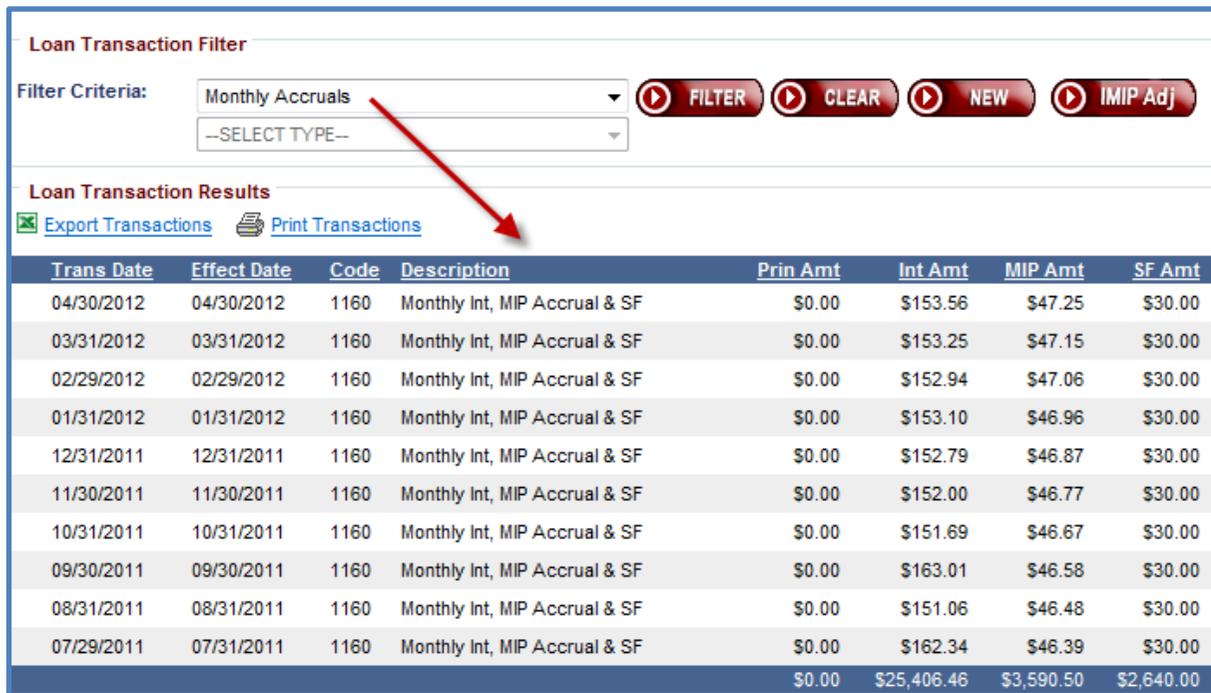
- Loan Transactions Filters enable you to filter, view and export based on:
 - A specific transaction category
 - A specific transaction type
- Very helpful tool to locate certain transactions

The screenshot displays the 'Loan Transaction Filter' interface. A dropdown menu is open, showing a list of transaction types. The selected item is 'Disb - Unscheduled from LOC'. Below the dropdown, there are buttons for 'FILTER', 'CLEAR', 'NEW', and 'IMIP Adj'. The table below shows a list of transactions with columns for 'Trans Date', 'Prin Amt', 'Int Amt', 'MIP Amt', 'SF Amt', and 'Loan Bal Trans Amt'.

Trans Date	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans Amt
04/30/2012	\$0.00	\$105.19	\$31.49	\$30.00	\$166.68
03/31/2012	\$0.00	\$101.82	\$31.42	\$30.00	\$163.24
02/29/2012	\$0.00	\$101.60	\$31.36	\$30.00	\$162.96
01/31/2012	\$0.00	\$100.13	\$31.29	\$30.00	\$161.42

Transaction Management

- Using the Loan Transaction Filter functionality
 - Select a transaction category
 - Select a transaction type (Optional)
 - Click  to display results
 - Click  to remove the filtering



Loan Transaction Filter

Filter Criteria: Monthly Accruals    

--SELECT TYPE--

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#)

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt
04/30/2012	04/30/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.56	\$47.25	\$30.00
03/31/2012	03/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.25	\$47.15	\$30.00
02/29/2012	02/29/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.94	\$47.06	\$30.00
01/31/2012	01/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.10	\$46.96	\$30.00
12/31/2011	12/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.79	\$46.87	\$30.00
11/30/2011	11/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.00	\$46.77	\$30.00
10/31/2011	10/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$151.69	\$46.67	\$30.00
09/30/2011	09/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$163.01	\$46.58	\$30.00
08/31/2011	08/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$151.06	\$46.48	\$30.00
07/29/2011	07/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$162.34	\$46.39	\$30.00
				\$0.00	\$25,406.46	\$3,590.50	\$2,640.00

Transaction Management

➤ Transaction Results:

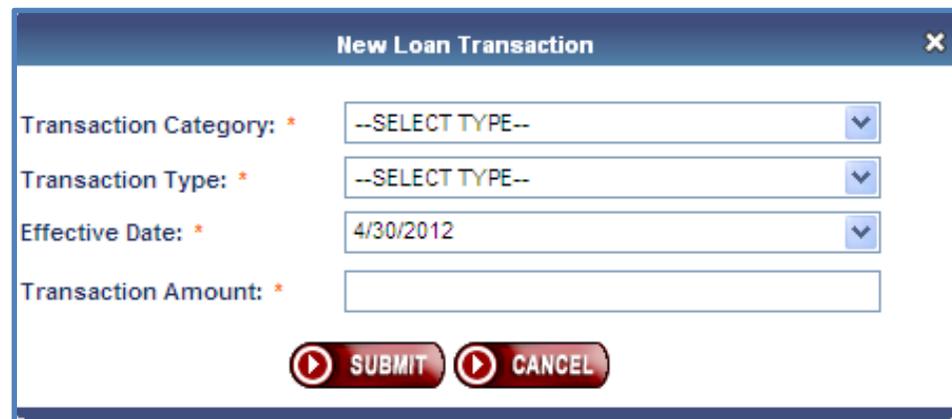
- Very helpful tools for transaction analysis
- Can be Exported to EXCEL or printed (PDF)
- Display options:
 - Column Heading click sorting
 - Expand results displayed per screen
 - Paging links to navigate to a specific page #

Loan Transaction Results										
Export Transactions		Print Transactions								Display: 10
Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal	Trans Amt	
05/02/2012	05/02/2012	1980	Change of Plan Fee	\$0.00	\$0.00	\$0.00	\$20.00		\$20.00	
04/30/2012	04/30/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.56	\$47.25	\$30.00		\$230.81	
03/31/2012	03/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.25	\$47.15	\$30.00		\$230.40	
02/29/2012	02/29/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.94	\$47.06	\$30.00		\$230.00	
01/31/2012	01/31/2012	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$153.10	\$46.96	\$30.00		\$230.06	
12/31/2011	12/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.79	\$46.87	\$30.00		\$229.66	
11/30/2011	11/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$152.00	\$46.77	\$30.00		\$228.77	
10/31/2011	10/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$151.69	\$46.67	\$30.00		\$228.36	
09/30/2011	09/30/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$163.01	\$46.58	\$30.00		\$239.59	
08/31/2011	08/31/2011	1160	Monthly Int, MIP Accrual & SF	\$0.00	\$151.06	\$46.48	\$30.00		\$227.54	
				\$79,274.59	\$25,406.46	\$6,310.50	\$2,660.00		\$113,651.55	

1 2 3 4 5 6 7 8 9 10

Transaction Management

- Creating a new loan level transaction
 - Navigate to the Loan Transactions Page
 - Click 
 - Select Transaction Category
 - Select Transaction Type
 - Select Effective Date
 - Enter Transaction Amount
 - Click 



New Loan Transaction [X]

Transaction Category: * --SELECT TYPE-- [v]

Transaction Type: * --SELECT TYPE-- [v]

Effective Date: * 4/30/2012 [v]

Transaction Amount: *

Disbursements

- Disbursement Transactions - Payments made to or on behalf of the Borrower/Mortgagor
- Used when funds are available in the Mortgagor's principal limit
- Disbursement Transactions Categories include:
 - Disb – Unscheduled from LOC
 - Disb – Delinquent Taxes
 - Disb – Repair Set Aside
 - Disb – Taxes & Insurance withheld
 - Disb – 1st Year Taxes & Ins Set Aside

User Guide: 5.5.1.5

Full Payoff / Termination Transactions

- Loan Termination occurs when a loan has been paid in full for any reason
- Upon Loan Termination
 - Case Status changes to “Terminated”
 - Case Sub-Status changes to corresponding Termination Type
 - Loan Balance is brought to \$0.00
- For Non-Claim Terminations, system will not allow the user to terminate, if the difference between payoff amount (calculated by the system) and the termination transaction amount (entered by the user) is not within the overage or shortage threshold limits set by HUD

Full Payoff / Termination Transactions

- The below table provides the termination transaction types affected by the Overage/Shortage threshold limit set by HUD

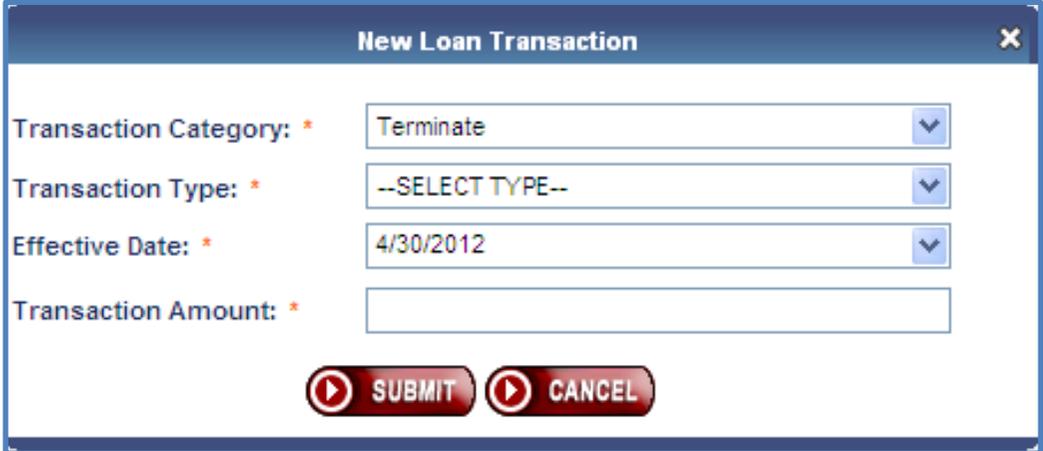
Transaction	Description	Affected by Overage/Shortage Threshold Limits
Terminate - Borr. Paid	This transaction is initiated by the servicer to terminate the loan in case borrower paid off the loan in full.	Y
Terminate - Borr. Moved	This transaction is initiated by the servicer to terminate the loan in case the last remaining borrower moved out of the mortgaged property.	Y
Terminate – Claim - 21	This transaction is initiated by the servicer to terminate the loan when payment is received on the paper claim (CT 21) submitted prior to HERMIT go-live.	N
Terminate – Claim - 23	This transaction is initiated by the servicer to terminate the loan when payment is received on the paper claim (CT 23) submitted prior to HERMIT go-live.	N
Terminate – Full Write-Off	This transaction is initiated by the servicer to terminate the loan by full write-off.	N/A
Terminate – Death	This transaction is initiated by the servicer to terminate the loan in case of death of the last surviving borrower.	Y
Terminate - Short Sale (Partial)	This transaction is initiated by the servicer to perform a partial repayment on behalf of borrower towards the short sale of the mortgaged property. Note: The case status of the loan will not be changed to Terminated - Short Sale (Partial) until the write-off transaction is added for the remaining balance.	N/A
Terminate – Refinance	This transaction is initiated by the servicer to terminate the loan due to refinancing.	Y
Terminate - REO/3rd Party/FCL Sale (PIF)	This transaction is initiated by the servicer to terminate the loan after sale of the mortgaged property to a 3rd party via foreclosure sale. Claim will NOT be filed by the servicer as no loss is incurred by Lender/Investor.	N/A
Terminate - REO Sale (Partial)	This transaction is initiated by the servicer to perform a partial repayment on behalf of borrower towards the REO sale of the mortgaged property. Note: The case status of the loan will not be changed to Terminated - REO Sale (Partial) until the write-off transaction is added for the remaining balance.	N/A
Terminate - FCL Conveyed	This transaction is initiated by the servicer to terminate the loan after the mortgaged property is foreclosed. Claim will NOT be filed by the servicer as no loss is incurred by Lender/Investor.	Y
Terminate - DIL Conveyed	This transaction is initiated by the servicer once servicer owns the deed of the mortgaged property in lieu of foreclosure. Claim will NOT be filed by the servicer as property is disposed in a manner that satisfies the debt.	Y
Terminate – Other	This transaction is initiated by the servicer to terminate the loan for other reasons.	Y

User Guide 5.5.1.11

Full Payoff / Termination Transactions

➤ Terminating a Loan

- Navigate to the Transaction Page
- Click 
- Select Transaction Category as Terminate
- Select Termination Transaction Type
- Enter Payoff Effective Date
- Enter the Payoff Amount (validated by system based on effective date)
- Click 



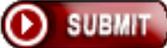
New Loan Transaction

Transaction Category: * Terminate

Transaction Type: * --SELECT TYPE--

Effective Date: * 4/30/2012

Transaction Amount: *

Partial Repayments

- Partial Repayment Transactions are used to reduce the outstanding loan balance
 - Partial Repay - Reduce Loan Balance
 - Used to partially reduce the loan balance
 - Applies to ALL pay plan types
 - Partial Repay - Increase CLSA + Reduce Loan Balance
 - Used to partially reduce the loan balance and increase the available line of credit
 - Applies to Modified Term and Modified Tenure plan types only



The screenshot shows a 'New Loan Transaction' dialog box with the following fields and values:

Field	Value
Transaction Category: *	Repay
Transaction Type: *	Part Repay - Reduce Loan Balance
Effective Date: *	4/30/2012
Transaction Amount: *	\$5,000.00

Buttons: SUBMIT, CANCEL

User Guide: 5.5.1.10

Partial Repayments

➤ Applying a Partial Repayment Transaction

- Navigate to the Transaction Page
- Click 
- Select Transaction Category “Repay”
- Select Transaction Type “Part Repay – Reduce Loan Balance”
- Enter the Effective Date
- Enter the Payment Amount
- Click 



New Loan Transaction

Transaction Category: * Repays

Transaction Type: * Part Repay - Reduce Loan Balance

Effective Date: * 5/3/2012

Transaction Amount: * \$10,000.00

Partial Repayments

➤ Partial Repayment Transactions are applied as follows:

First: MIP Balance

Second: Servicing Fee Balance

Third: Accrued Note Interest

Fourth: Principal Balance

Loan Transaction Results					
Export Transactions		Print Transactions		4	3
				1	2
Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt
05/03/2012	05/03/2012	2710	Part Repay - Reduce Loan Balance	\$0.00	(\$3,261.16)
				MIP Amt	SF Amt
				(\$4,068.84)	(\$2,670.00)
				Loan Bal Trans Amt	(\$10,000.00)

Change of Plan Fees

- The COP Transaction is automatically added to the loan with the COP fee amount entered during the initiation of a COP on a Loan

Change payment plan

Pay Plan Type: Modified Term *

Effective Date: 5/2/2012 *

Tax Ins Responsible Party: Borrower *

Pay Plan Term (in months): 30 *

Gross Monthly Payment: \$1,500.00 *

- Monthly Tax & Ins. Withheld: \$0.00

= Net Monthly Payment: \$1,500.00

Repair Set Aside: \$0.00

Credit Line Set Aside: \$5,000.00 *

Change of plan fee: \$20.00

OK CANCEL

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#) Display: 10

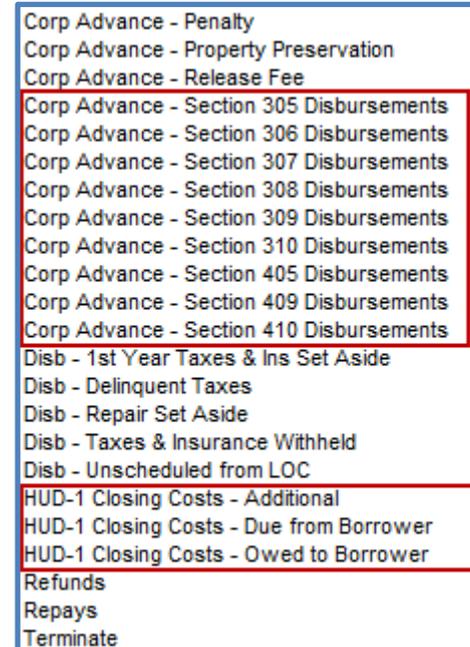
Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal	Trans Amt
05/02/2012	05/02/2012	1980	Change of Plan Fee	\$0.00	\$0.00	\$0.00	\$20.00		\$20.00

- A Change of Plan can only be performed on a Loan with a Status of Endorsed and a Sub-Status of Loan Active

Corporate Advances

➤ Corporate Advances

- Corporate Advance Transactions are used to report any property expenses AFTER the DUE & PAYABLE approval is granted



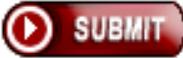
Corp Advance - Penalty
Corp Advance - Property Preservation
Corp Advance - Release Fee
Corp Advance - Section 305 Disbursements
Corp Advance - Section 306 Disbursements
Corp Advance - Section 307 Disbursements
Corp Advance - Section 308 Disbursements
Corp Advance - Section 309 Disbursements
Corp Advance - Section 310 Disbursements
Corp Advance - Section 405 Disbursements
Corp Advance - Section 409 Disbursements
Corp Advance - Section 410 Disbursements
Disb - 1st Year Taxes & Ins Set Aside
Disb - Delinquent Taxes
Disb - Repair Set Aside
Disb - Taxes & Insurance Withheld
Disb - Unscheduled from LOC
HUD-1 Closing Costs - Additional
HUD-1 Closing Costs - Due from Borrower
HUD-1 Closing Costs - Owed to Borrower
Refunds
Repay
Terminate

- Corporate Advance Transaction Categories are pre-filled in the corresponding Claim form HUD - 27011 sections

User Guide: 5.5.1.3; 5.5.1.7

Corporate Advances

➤ Entering a Corporate Advance Transaction

- Navigate to the Transaction Page
- Click 
- Select Transaction Category
- Select Transaction Type
- Enter Effective Date (i.e. date payment was made)
- Enter Expense Incurred Date (i.e. date service was completed or payment was due)
- Enter the Expense Amount
- Click 

Transactions	Loan
Contacts	Growth
Property	Set Aside
Documents	Claims



New Loan Transaction

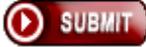
Transaction Category: * Corp Advance - Section 305 Disbursements

Transaction Type: * Corp Adv - S305 - Condominium Dues

Effective Date: * 5/2/2012

Incurred Date: * 5/7/2012

Transaction Amount: * \$150.00

Corporate Advances – P & P

- Preservation & Protection optional “checkboxes”
 - Not charged against P&P Maximum Allowance of \$2,500.00
 - One Time Expense – An expense NOT added to the maximum allowable P&P limit (\$1,500 Maximum)
 - Previously Approved – A previously approved P&P transaction where approved documentation exists
 - Max. P&P Allowance – If the P&P transaction amount is within the maximum allowable limit. HUD approval is not required if this box is checked.

New Preservation & Protection Transaction

Preservation & Protection Info

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

Transaction Type: * Corp Adv - Prop Preserve - Boarding

Effective Date: * 5/4/2012

Incurred Date: * 4/

Transaction Amount: *

One Time Expense:

Previously Approved:

Max. P & P Allowance:

SUBMIT BACK CANCEL

User Guide: 5.5.1.4

Corporate Advances

➤ Corporate Advance Repayments

- Repayment Transactions are used to repay amounts within Corp Advance transaction category
- Repayment Transactions exist within each Corp Advance transaction category

New Loan Transaction

Transaction Category: * Corp Advance - Section 305 Disbursements

Transaction Type: * --SELECT TYPE--

Effective Date: *

Transaction Amount: *

- SELECT TYPE--
- Corp Adv - S305 - Condominium Dues
- Corp Adv - S305 - Eviction Fees
- Corp Adv - S305 - Flood Insurance
- Corp Adv - S305 - Ground Rent
- Corp Adv - S305 - Hazard Insurance
- Corp Adv - S305 - HOA Dues
- Corp Adv - S305 - Other
- Corp Adv - S305 - Repayment**
- Corp Adv - S305 - Taxes
- Corp Adv - S305 - Utilities

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#) Display: 10

Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans Amt	Corp. Adv. Amt	%
2128	Corp Adv - S305 - Repayment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,500.00)	
2124	Corp Adv - S305 - Eviction Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	

Overview of Loss Mitigation/Property Charge Transactions Pre Due and Payable (ML 2011-01)

- **ML 2011-01** - Relates to resolution of delinquencies due to unpaid property charges on deferred Due and Payable requests

- **HERMIT - SM Correlation with ML 2011-01:**
 - If Funds Available – Use borrowers line of credit to pay unpaid property charges; loan not considered delinquent
 - If Funds **NOT** Available – Use new transaction category “Prop Charge “Pre-D&P” to pay unpaid property charges
 - Servicer seeks reimbursement and establishes repayment plan
 - Repayments are applied against “Prop Charge Pre-D&P” transactions to cure delinquency

Property Charge Pre D&P Advances

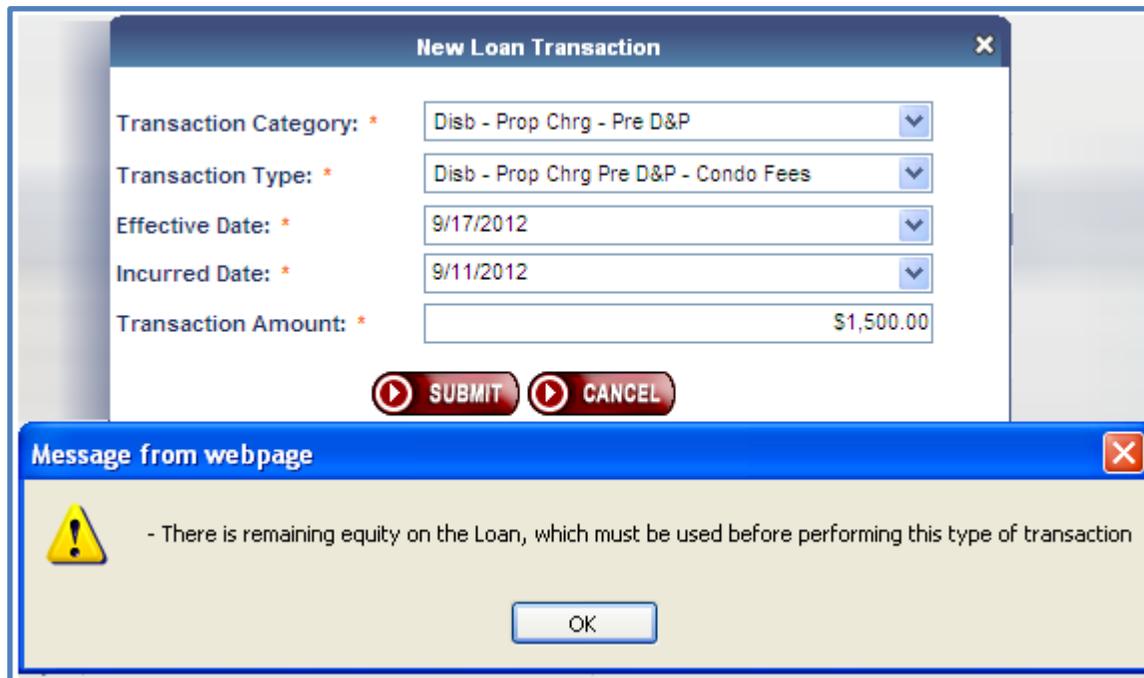
- Reference to ML 2011-01 – When Funds are **NOT** Available and before Due & Payable is granted, use transaction category “Prop Charge Pre-D&P”

- Prop Charge Pre-D&P Transaction Types
 - “Prop Chrg Pre-D&P” - Condominium Fees
 - “Prop Chrg Pre-D&P” – Flood Insurance
 - “Prop Chrg Pre-D&P” – Ground Rent
 - “Prop Chrg Pre-D&P” – Hazard Insurance
 - “Prop Chrg Pre-D&P” – HOA Dues
 - “Prop Chrg Pre-D&P” – Taxes
 - “Prop Chrg Pre-D&P” – Other
 - “Prop Chrg Pre-D&P” – Repayment

- Property Charge Pre-D&P Transactions are rolled into the loan balance and accrue interest at the note rate and MIP at MIP rate

Property Charge Pre D&P Advances

- When the Net Principal Limit (NPL) is greater than \$0.00, the system will display a hard stop message restricting the use of the Transaction Category of “Disb - Prop Chrg - Pre D&P”.



The screenshot shows a web application window titled "New Loan Transaction". The form contains the following fields:

- Transaction Category: * Disb - Prop Chrg - Pre D&P
- Transaction Type: * Disb - Prop Chrg Pre D&P - Condo Fees
- Effective Date: * 9/17/2012
- Incurred Date: * 9/11/2012
- Transaction Amount: * \$1,500.00

Below the form are two buttons: "SUBMIT" and "CANCEL".

Overlaid on the bottom of the form is a "Message from webpage" dialog box with a yellow warning icon. The message reads: "- There is remaining equity on the Loan, which must be used before performing this type of transaction". An "OK" button is located at the bottom of the message box.

- If the drawable equity on the loan is not sufficient to pay the transaction amount, then the HECM Mortgagees must first exhaust the drawable equity using unscheduled advances followed by Property Charges for the remaining transaction amount.

Property Charge Pre D&P Advances

- When the Net Principal Limit (NPL) is less than \$0.00, the Transaction Category of “Disb - Prop Chrg - Pre D&P” is used along with the applicable Transaction Type.

The screenshot displays a web-based loan management interface. It is divided into several sections:

- Loan Information:** Includes fields for FHA Case #, Loan Skey (167), Case Status (Endorsed), Case Sub-Status (Loan Active), and Product Type (HECM STANDARD). A link for "Go to Loan Search" is present.
- Borrower Information:** Includes fields for Borrower, SSN, DOB, Address, and Co-Borrower.
- Servicer Information:** Includes fields for Lender Loan #, Servicer #, Lender Name, Servicer Name, and Investor Name.
- Balance Information:** Includes fields for Pay Plan Type (Line of Credit), Loan Balance, Max Claim, % of Max Claim (86.528%), and NPL (\$1,324.62). A "Print Loan Details" link is also visible.

A "New Loan Transaction" dialog box is open in the foreground, containing the following fields:

- Transaction Category:** Disb - Prop Chrg - Pre D&P
- Transaction Type:** Disb - Prop Chrg Pre D&P - Taxes
- Effective Date:** 9/18/2012
- Incurred Date:** 9/10/2012
- Transaction Amount:** \$250.00

Buttons for "SUBMIT" and "CANCEL" are located at the bottom of the dialog box. Below the dialog box, a table header is visible with columns: Trans Date, Effect Date, Code, and Description.

Property Charge Pre D&P Advances

- When the “Disb - Prop Chrg - Pre D&P” transaction is submitted, the information is displayed in the Loan Transaction Results section.

Loan Information

FHA Case #:

Loan Key: 167

Case Status: Endorsed

Case Sub-Status: Loan Active

Product Type: HECM STANDARD

[Go to Loan Search](#)

Borrower Information

Borrower:

SSN:

DOB:

Address:

Co-Borrower:

Servicer Information

Lender Loan #:

Servicer #:

Lender Name:

Servicer Name:

Investor Name:

Balance Information

Pay Plan Type: Line of Credit

Loan Balance:

Max Claim:

% of Max Claim: 86.720 %

NPL: (\$1,574.62)

[Print Loan Details](#)

Loan Transaction Filter

Filter Criteria: ▶ FILTER

▶ CLEAR

▶ NEW
▶ Balance Adj
▶ IMIP Adj
▶ Writeoff

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#) Display: 10 ▼

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans
09/18/2012	09/18/2012	1856	Disb - Prop Chrg Pre D&P - Taxes	\$250.00	\$0.00	\$0.00	\$0.00	\$25

Historical Property Charge Pre D&P Advances

- The HERMIT system provides a 6 months grace period from the go-live date for HECM Mortgagees to enter Historical Property Charges transactions that were incurred and paid prior to go-live
- When Historical Property Charges transactions are reported in HERMIT within the grace period, the system waives the Late Charges and Interest on the adjusted MIP transactions
- When Historical Property Charges transactions are reported in HERMIT after the grace period, the system will automatically calculate the MIP adjustment and any Late Charges and Interest on the adjusted MIP transactions

Note: This grace period applies only for Historical Property Charge Pre D&P Advances

Adjustments

➤ Loan Balance Adjustments

- Adjustments to Loan Transactions can be performed on any transactions with an  “edit “ icon next to the transaction
- The transactions are fully adjusted
- The transaction reversed amount is displayed under the Loan Transactions Results



The screenshot shows a web interface titled "Loan Transaction Results". At the top left, there are two links: "Export Transactions" and "Print Transactions". At the top right, there is a "Display:" label followed by a dropdown menu showing the number "10". Below this is a table with the following columns: "Trans Date", "Effect Date", "Code", "Description", "Prin Amt", "Int Amt", "MIP Amt", "SF Amt", and "Loan Bal Trans". The table contains one row of data: "05/01/2012", "05/01/2012", "2131", "Corp Adv - S306 - Attorney Fees", "\$0.00", "\$0.00", "\$0.00", "\$0.00", and a small icon. A red box highlights the icon in the first column of the data row.

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans
05/01/2012	05/01/2012	2131	Corp Adv - S306 - Attorney Fees	\$0.00	\$0.00	\$0.00	\$0.00	

Adjustments

➤ Applying transaction adjustments

- Identify adjustable transactions by locating an “edit” icon 
- Click 
- The Loan Transaction Adjustment Window is displayed
- Click  to process the adjustment
- The adjustment transaction and amount are applied to the loan transaction history

Loan Transaction Results

[Export Transactions](#) [Print Transactions](#) Display: 10

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal Trans
05/01/2012	05/01/2012	2290	Corp Adv - Adj	\$0.00	\$0.00	\$0.00	\$0.00	
05/01/2012	05/01/2012	2131	Corp Adv - S306 - Attorney Fees					

Loan Bal Trans Amt	Corp. Adv. Amt
\$0.00	(\$150.00)
\$0.00	\$150.00

Adjustments

➤ Adjusting IMIP Allocation:

- Adjustment of the IMIP amount can be performed between Lender Paid, Borrower Paid, and Financed
- Click  on the transaction page
- Enter new IMIP amount
- Click 

Example

Before	After																				
 <table border="1"><thead><tr><th colspan="2">Adjust IMIP</th></tr></thead><tbody><tr><td>IMIP Paid By Lender:</td><td>\$0.00</td></tr><tr><td>IMIP Paid By Borrower:</td><td>\$0.00</td></tr><tr><td>IMIP Financed:</td><td>\$1,100.00</td></tr><tr><td>IMIP Total:</td><td>\$1,100.00</td></tr></tbody></table>	Adjust IMIP		IMIP Paid By Lender:	\$0.00	IMIP Paid By Borrower:	\$0.00	IMIP Financed:	\$1,100.00	IMIP Total:	\$1,100.00	 <table border="1"><thead><tr><th colspan="2">Adjust IMIP</th></tr></thead><tbody><tr><td>IMIP Paid By Lender:</td><td>\$500.00</td></tr><tr><td>IMIP Paid By Borrower:</td><td>\$400.00</td></tr><tr><td>IMIP Financed:</td><td>\$200.00</td></tr><tr><td>IMIP Total:</td><td>\$1,100.00</td></tr></tbody></table>	Adjust IMIP		IMIP Paid By Lender:	\$500.00	IMIP Paid By Borrower:	\$400.00	IMIP Financed:	\$200.00	IMIP Total:	\$1,100.00
Adjust IMIP																					
IMIP Paid By Lender:	\$0.00																				
IMIP Paid By Borrower:	\$0.00																				
IMIP Financed:	\$1,100.00																				
IMIP Total:	\$1,100.00																				
Adjust IMIP																					
IMIP Paid By Lender:	\$500.00																				
IMIP Paid By Borrower:	\$400.00																				
IMIP Financed:	\$200.00																				
IMIP Total:	\$1,100.00																				

Adjustments

- When transactions are posted with an effective date in the past, the system automatically creates accrual adjustments and calculates late charges and penalties

Loan Transaction Results

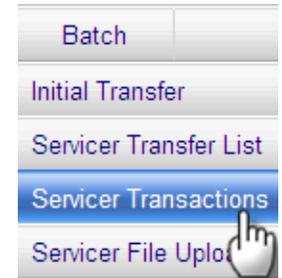
[Export Transactions](#) [Print Transactions](#) Display: 10

Trans Date	Effect Date	Code	Description	Prin Amt	Int Amt	MIP Amt	SF Amt	Loan Bal	Trans Amt	Corp. A
04/30/2012	10/31/2006	1190	Auto-Adjust Int Mip SF	\$0.00	(\$5.43)	(\$0.41)	\$0.00		(\$5.84)	
04/30/2012	04/30/2006	1190	Auto-Adjust Int Mip SF	\$0.00	(\$4.97)	(\$0.40)	\$0.00		(\$5.37)	
04/30/2012	02/28/2010	1190	Auto-Adjust Int Mip SF	\$0.00	(\$1.84)	(\$0.48)	\$0.00		(\$2.32)	
04/30/2012	05/31/2009	1190	Auto-Adjust Int Mip SF	\$0.00	(\$1.98)	(\$0.47)	\$0.00		(\$2.45)	
04/30/2012	09/30/2008	1190	Auto-Adjust Int Mip SF	\$0.00	(\$3.55)	(\$0.46)	\$0.00		(\$4.01)	
04/30/2012	04/30/2011	1190	Auto-Adjust Int Mip SF	\$0.00	(\$1.76)	(\$0.50)	\$0.00		(\$2.26)	
04/30/2012	03/31/2008	1190	Auto-Adjust Int Mip SF	\$0.00	(\$3.46)	(\$0.45)	\$0.00		(\$3.91)	
04/30/2012	10/31/2011	1190	Auto-Adjust Int Mip SF	\$0.00	(\$1.60)	(\$0.50)	\$0.00		(\$2.10)	
04/30/2012	09/30/2007	1190	Auto-Adjust Int Mip SF	\$0.00	(\$5.65)	(\$0.44)	\$0.00		(\$6.09)	
04/30/2012	07/31/2006	1190	Auto-Adjust Int Mip SF	\$0.00	(\$5.27)	(\$0.41)	\$0.00		(\$5.68)	
				\$99,857.75	(\$267.61)	(\$935.34)	\$30.00		\$98,684.80	

Batch Servicer Transactions

➤ Batch – Servicer Transactions

- Loan Balance transactions in groups
- Up to 10 transactions per group (single or multiple loans)
- Supports transaction types for unscheduled advances, repayments, terminations, and corporate advances



Servicer Transactions (Repayments, Unscheduled Advances, Terminations, Corp. Advances)

Effective Date	FHA Case #	Amount	Transaction Category	Transaction Type	Incurred Date	Validation
5/2/2012	132-1321321	\$75.00	Disb - Unscheduled from LOC	Disb - Unscheduled from LOC		
5/2/2012	144-2222222	\$5,000.00	Disb - Delinquent Taxes	Disb - Delinquent Taxes		
5/2/2012	987-9846513	\$85,300.00	Terminate	Terminate - Borr. Moved		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		

User Guide: 5.19.3

Batch Servicer Transactions

➤ Entering transactions in a group

- Navigate to  
- Use one line per transaction
- Click  to check data integrity
- If there are any errors, fix them and Validate again
- Click 

Servicer Transactions (Repayments, Unscheduled Advances, Terminations, Corp. Advances)

Effective Date	FHA Case #	Amount	Transaction Category	Transaction Type	Incurred Date	Validation
5/3/2012	454-5454545	\$5,000.00	Corp Advance - Property Preservati	Corp Adv - Prop Preserve - Hazard		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		
		\$0.00	--SELECT--	--SELECT--		

May, 2012
May 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

Today: 5/3/2012

 Validation
FHA Case # is invalid

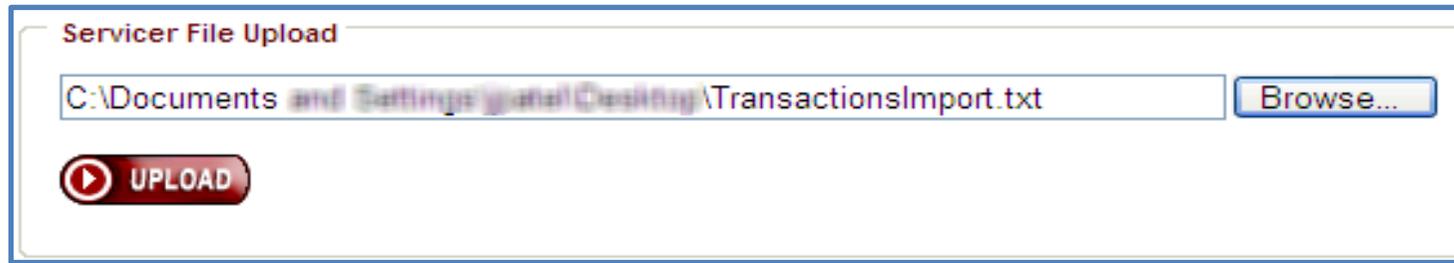
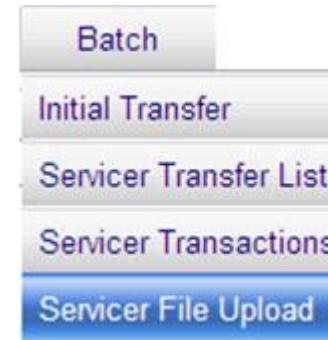
B2G: Servicer Transactions

- HERMIT SM provides bulk transaction file upload capability
- Upload daily transactions at the end of each business day
- Real time validation
- Real time application of transactions to Loans

Refer to the HECM SP B2G File Upload Record Layout Document (version 2.3) for details on the B2G Servicer Transfer file layout and format specifications

B2G: Servicer Transactions - File Upload for Daily Transactions

- Uploading the B2G Transactions file
 - Navigate to Batch Servicer File Upload
 - Click to select the file
 - Click
 - Review upload Results

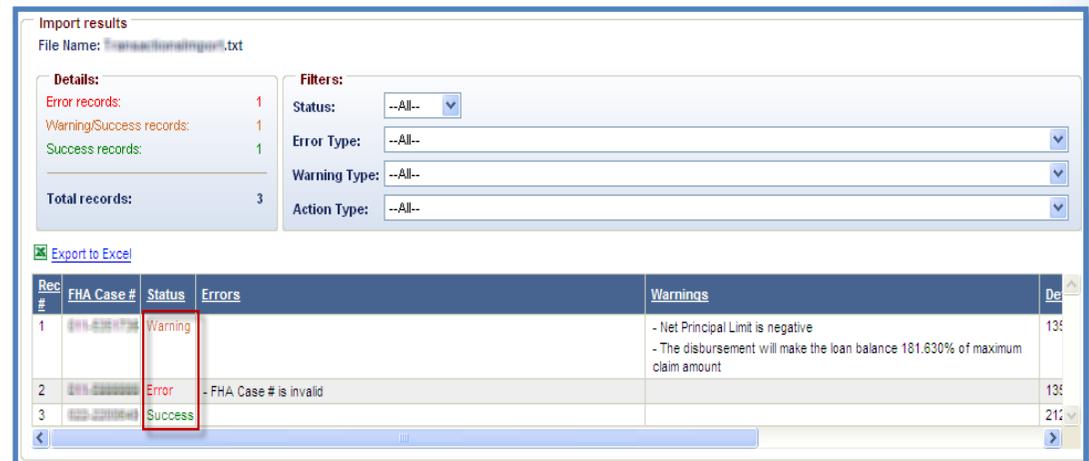


B2G: Servicer Transactions

File Upload for Daily Transactions

- **Uploaded Transactions** show success or failure
- Results can be exported to Excel  [Export to Excel](#)

- **Error** statuses are “hard stops”; record is rejected
- **Warning** statuses are informational only; record loads
- **Success** statuses pass all validation edits; record loads



Import results
File Name: transactionalimport.txt

Details:
Error records: 1
Warning/Success records: 1
Success records: 1
Total records: 3

Filters:
Status: --All--
Error Type: --All--
Warning Type: --All--
Action Type: --All--

[Export to Excel](#)

Rec #	FHA Case #	Status	Errors	Warnings	De
1		Warning		- Net Principal Limit is negative - The disbursement will make the loan balance 181.630% of maximum claim amount	13:
2		Error	- FHA Case # is invalid		13:
3		Success			21:

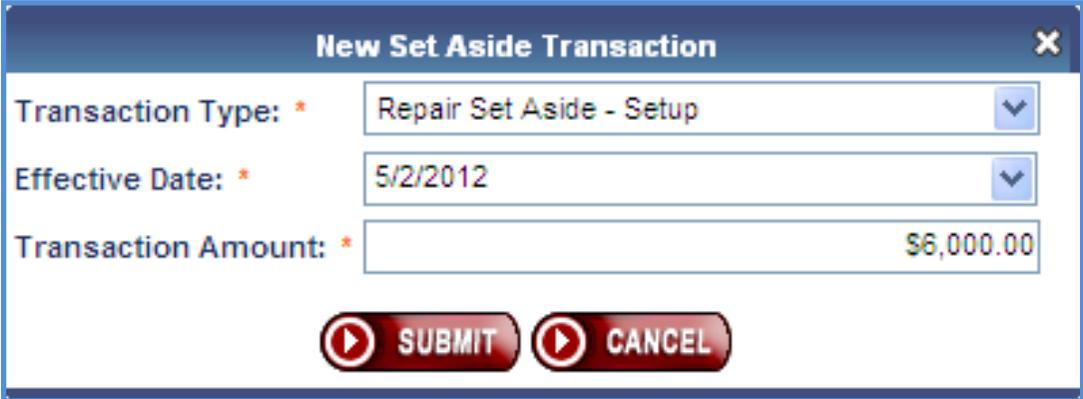
Rec #	FHA Case #	Status	Errors
	All Loans	Error	File is Duplicate

Repair Set Aside – Setup and Management

- Repair Set Aside: An escrow amount set aside from available principal limit to cover home repairs
- Repair Set Aside must be less than 15% of the Max Claim Amount
- Repair Set Aside can be setup during Loan Setup or after Loan Setup by going to Loan → Set Aside

Repair Set Aside – Setup and Management

- Establishing a Repair Set Aside (RSA) amount
 - Navigate to Transactions → Set Aside
 - Click 
 - Select Transaction Type “Repair Set Aside – Setup”
 - Enter Effective Date
 - Enter RSA Amount
 - Click  to process the transaction

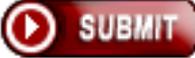


New Set Aside Transaction

Transaction Type: * Repair Set Aside - Setup

Effective Date: * 5/2/2012

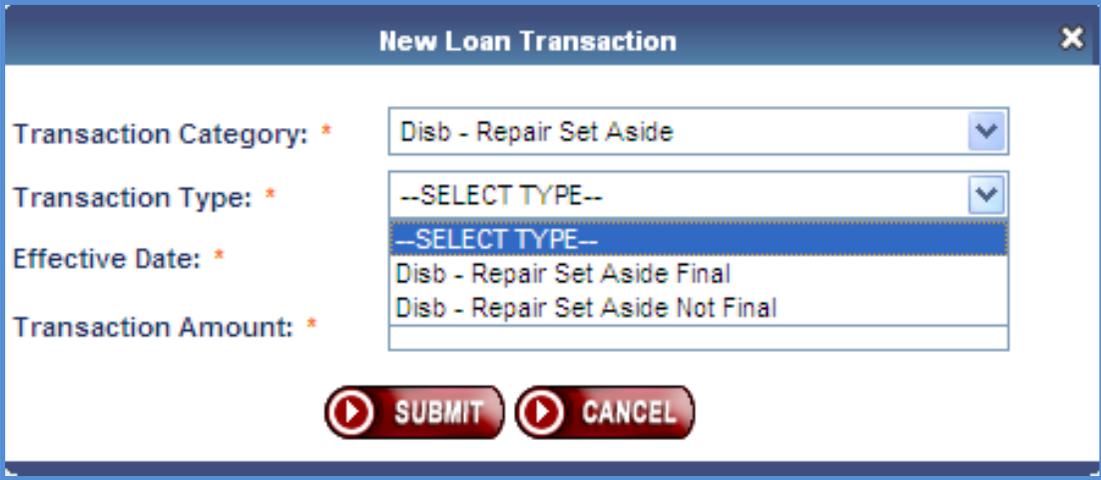
Transaction Amount: * \$6,000.00

Repair Set Aside – Setup and Management

➤ Repair Set Aside Transactions

- Disb – Repair Set Aside – **Not Final**
 - Used to disburse partial Repair Set Aside Amount(s)
- Disb - Repair Set Aside **Final**
 - Used to disburse FINAL Repair Set Aside Amount



New Loan Transaction

Transaction Category: * Disb - Repair Set Aside

Transaction Type: * --SELECT TYPE--

Effective Date: *

Transaction Amount: *

Disb - Repair Set Aside Final

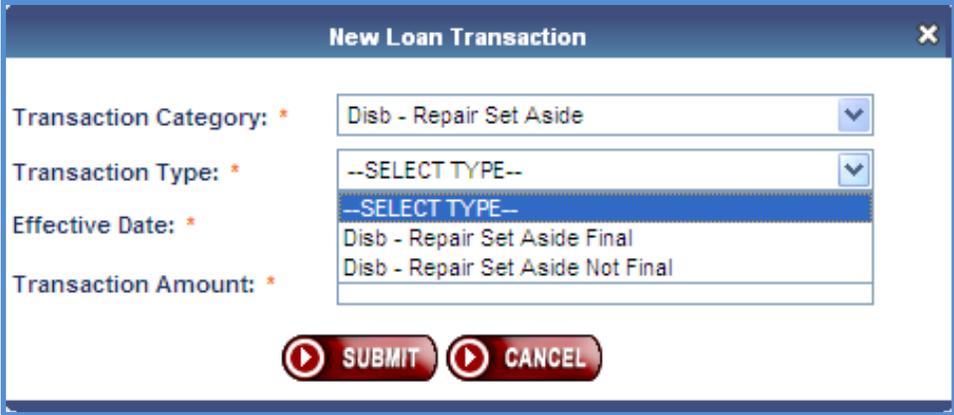
Disb - Repair Set Aside Not Final

SUBMIT CANCEL

Repair Set Aside – Setup and Management

➤ Entering a Repair Set Aside Transaction

- Navigate to Transactions → Loan
- Click 
- Select Transaction Category “Disb – Repair Set Aside”
- Select Transaction Type
- Enter Effective Date
- Enter Repair Disbursement Amount
- Click  to create transaction



New Loan Transaction [X]

Transaction Category: *

Transaction Type: *

Effective Date: *

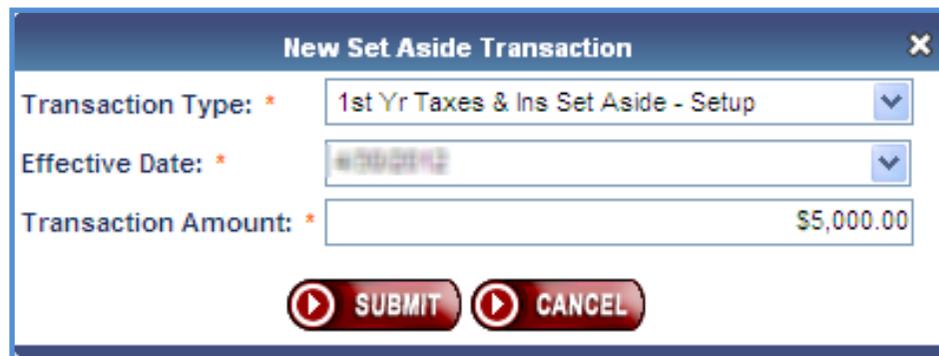
Transaction Amount: *

First Year Set Aside – Setup and Management

- First Year Set Aside: The amount of money set aside to cover 1st Year taxes and Insurance from the initial/net principal limit
- First Year Set Aside can be setup during Loan Setup or after Loan Setup by going to Loan/Set Aside
- This Transaction is added to set aside amount for Taxes and Insurance for the property. This transaction applies to all pay plans.

First Year Set Aside – Setup and Management

- Establishing the First Year Set Aside Amount
- Navigate to Transactions → Set Aside Page
 - Click 
 - Select Transaction Type “1st Yr Taxes & In Set Aside-Setup”
 - Enter the Effective Date
 - Enter the Set Aside Amount
 - Click  to process the transaction



New Set Aside Transaction

Transaction Type: * 1st Yr Taxes & Ins Set Aside - Setup

Effective Date: * 12/31/2012

Transaction Amount: * \$5,000.00

First Year Set Aside – Setup and Management

- First Year Set Aside Transaction Types:
 - “Disb – 1st Yr TI Set Aside – **Not Final**”
 - Used to disburse partial Set Aside Amount(s)
 - “Disb - 1st Yr TI Set Aside **Final**”
 - Used to disburse FINAL Set Aside Amount

The screenshot shows a 'New Loan Transaction' window with the following fields and options:

- Transaction Category:** * Disb - 1st Year Taxes & Ins Set Aside
- Transaction Type:** * --SELECT TYPE-- (dropdown menu open showing: --SELECT TYPE--, Disb - 1st Yr TI Set Aside Final, Disb - 1st Yr TI Set Aside Not Final)
- Effective Date:** *
- Transaction Amount:** *

Buttons: SUBMIT, CANCEL

Servicer Monthly Reconciliation File

- Servicers will be provided a monthly loan level reconciliation file
- Reconciliation files will be available by the 3rd business day on HERMIT SM SFTP site (credentials to be provided)
- The monthly reconciliation file can be used to reconcile the HERMIT SM loan balance against the Servicer loan balance from the Servicer's internal systems
- Discrepancies need to be corrected within HERMIT SM by applying/adjusting the appropriate transactions

Wrap Up

