

**Home Equity Reverse Mortgage Information
Technology
(HERMIT)**

HERMIT System Changes – Release 3.6

Release Date: 9/29/2013

HERMIT SYSTEM CHANGES – RELEASE 3.6

1. INTRODUCTION

The HECM SP has released version 3.6 of the HERMIT software. This document will list the items that have been released in this version of the software and will also provide a brief description of each item. If you have any questions regarding the functionality of the software release, please contact the HERMIT Help Desk at 561-899-2610 or at support@hecmsp.com. If you have any policy related questions, please send an email to HUD at the following address HECMAdmin@hud.gov.

2. HERMIT SYSTEM CHANGES – RELEASE 3.6

2.1 Supplemental Claims Functionality

The HERMIT system will now allow Servicers to file and submit supplemental claims for a prior Claim Type 21 and 23.

With this software release, once a claim type 24 is filed and approved for payment by HUD, the AOP letter is generated and the additional reimbursements will be made on a previously settled claim.

Please see the Claim Type 24 Claims Mapping Document in the link below for claim mapping:-

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/HERMIT_user_guide

2.2 Make Item 17 and Item 108 on Claim Form Editable for Claim Type 24

The HERMIT system will allow Servicers to edit Item 17 and Item 108 on the supplemental claim form for both CT 21 and CT 23. When filing a supplemental claim, Servicers may populate amounts in Item 17 or Item 108 as applicable.

Please see the Claim Type 24 Claims Mapping Document in the link below for claim mapping:-

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/HERMIT_user_guide

2.3 Verification of Investor Banking Information, before submitting a claim (Claim Types 21, 22, 23 and 24)

The HERMIT system will not allow users to submit a claim in the Servicing Module when any of the Investor banking information (ABA Routing Number, Account Number and Tax ID) is missing.

With this software release, for all claim types, a hard stop message will be displayed to the users, when the **Validate Claim** link is selected on the claims worksheet and the Investor

HERMIT SYSTEM CHANGES – RELEASE 3.6

banking information is unavailable. A warning message will also be displayed to the users to verify the Investor populated on the claim form is correct before submitting the claim.

2.4 Include Bankruptcy Fees on Claim Form HUD 27011 for Claim Type 23

The HERMIT system will now allow Bankruptcy Fees (Item 310 on the HUD-27011) to be populated on the claim form when Servicers file the CT 23.

With this software release, the Bankruptcy Fee transactions will be populated in the Claims worksheet from the Loan Transactions screen with transactions under the category “Corp Advance – Section 310 Disbursements”, only when loan is in D&P status.

The Debenture Interest in Item 114 of the HUD-27011 will be populated with the amount from Item 310 Part D, if applicable. On the AOP, the start date for the Debenture Interest calculation will be the expense paid date and the end date will be the claim approved date or curtailment date, whichever is earlier.

2.5 Debenture Interest Calculation to Start from Item 8 (Due Date of Last Complete Installment Paid) for Claim Type 23

The HERMIT system now calculates the Debenture Interest on Item 17 (Unpaid loan Balance as of Date in Item 8) with a start date of Item 8, instead of Item 10 (Date Deed or assignment filed for record or date of closing or appraisal).

Please note that for loans in D&P status, the date populated in Item 8 may not be the same as Item 10.

2.6 Allow Addition of Property Charges Pre Due & Payable Transactions on Endorsed Loans with Active Due & Payable timeline

The HERMIT system will now allow the HECM Servicers to submit Property Charge Pre D&P transactions, on active loans or loans with an active D&P timeline, when all the drawable equity on the loan is exhausted.

This software release will allow the users to add property charges pre D&P transactions using the below methods:

Manual Transaction entry: In HERMIT Servicing Module, under the Loan Transactions screen, users can add the Prop Chrg Pre D&P transactions when the loan has an active D&P timeline and the drawable equity is exhausted on the loan. The message “Disb – Prop Chrg Pre D&P transactions must not be entered when an active Due & Payable timeline exists on the loan” will not be displayed to the users. The total Prop Chrg Pre D&P transaction amount under the Loan Balance screen will be displayed to the users based on the property charges transactions entered in the system.

B2G Transaction entry: In HERMIT Servicing Module, under the Batch Servicer File Upload screen, through the Transactions Import file, the authorized user will be allowed to upload Prop Chrg Pre D&P transactions when an active D&P timeline exists on the loan and the drawable equity is exhausted.

HERMIT SYSTEM CHANGES – RELEASE 3.6

Batch Transaction entry: In HERMIT Servicing Module, under the Batch Servicer Transactions screen, the authorized user will be allowed to upload Prop Chrg Pre D&P transactions when an active D&P timeline exists on the loan and the drawable equity is exhausted.

2.7 Servicers to not allow to Adjust/Reverse HUD Advances

Servicers will no longer be allowed to Adjust/Reverse HUD Advances made by HUD's Loan Servicing Contractor on the loan.

The adjustment button beside the HUD advance transaction will no longer be available for Servicers, hence not allowing Servicers to adjust HUD's Loan Servicing Contractor transactions affecting the loan balance.

2.8 Allow Payment Plan Changes on Pre-Endorsed Loans

The HERMIT system will now allow users to record payment plan changes on loans in Pending IMIP Payment and Pending Endorsement case statuses, just as they are on Endorsed loans. Previously, users were able to record payment plan changes on Endorsed loans only.

Users can now record payment plan changes without the need to hold off on recording changes until endorsement of the loans.

2.9 Allow Release 2nd Timeline on Endorsed loans which have an active DIL/Short Sale timeline

The HERMIT system will now allow users to initiate Release 2nd timeline on Endorsed loans with an active Loss Mitigation – DIL or Loss Mitigation – Short Sale timeline. The system will continue to not allow initiation of Release 2nd timeline on other status and sub status except for loans in Terminated status, per current system functionality.