

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

**HERMIT System Changes – Release 4.3**

**Release Date: 12/19/2015**

**Document Date: 12/31/2015**

**December 2015**

# HERMIT SYSTEM CHANGES – RELEASE 4.3

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## 1. INTRODUCTION

The Home Equity Conversion Mortgage Service Provider (HECM SP) has released version 4.3 of the Home Equity Reverse Mortgage Information Technology (HERMIT) software which consists of:

- Report Updates and New Reports
- Repurchase Requirements
- CT 22 Funds Due HUD Requirements
- Not Allowing Timelines To Be Inactivated
- Hard Stop For Negative Claim Upon HUD Approval for Claim Type 21, 23, 24 Requirements
- Not include HUD Advance as part of CT-21 or CT-23
- Password Reset functionality
- Making Corp Advances editable on Claims Forms
- Updates to Preliminary Title Approval Step to the CT 22 Timeline for the NBS
- Revise Assigned Checklist, CT22 Timeline (Make changes to the existing CT 22 Checklist)

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](mailto:support@hecmsp.com). If you have any policy related questions, please send an email to HUD at [answers@hud.gov](mailto:answers@hud.gov).

# HERMIT SYSTEM CHANGES – RELEASE 4.3

## 1.1 Report Updates

### 1.1.1 Enhancing the export capability in Excel

Authorized Users shall be able to export 40,000 records on screens that have Excel export capability instead of the standard 10,000 or 20,000 (depending on the screen).

For large files, the user should save the file on the desktop and open it. The saving and opening up of files may take few mins.

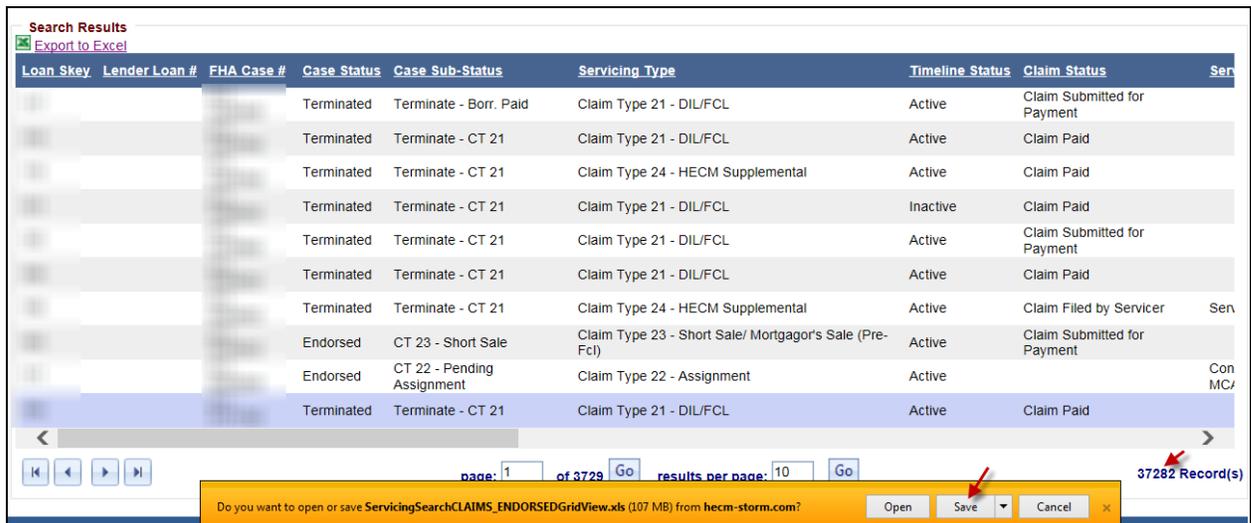


Figure 1: Exporting cases in Excel

### 1.1.2 Accounting → Transmittal screen

On the Accounting → Transmittal screen the Loan Skey and FHA Case # have been added.

If a FHA Case # or Loan Skey is entered and the Batch Type is not entered and the Authorized User clicks on Search, an error message is displayed (Fig 3 below).

**Note: All error messages listed in the document are hard stop messages.**

The Search Results (Fig 4 below) will populate the FHA Case # and Batch Type for Claims Payable and Claims Receivables. The Claims Receivable will display whether it is Repurchase or a HUD Advance.

For the other Batch Types the FHA Case # is not populated.

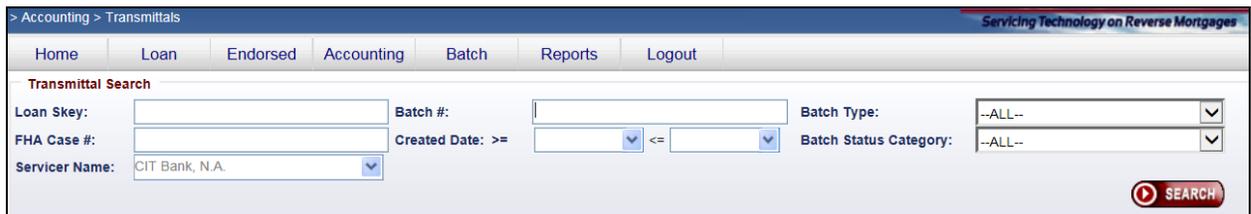
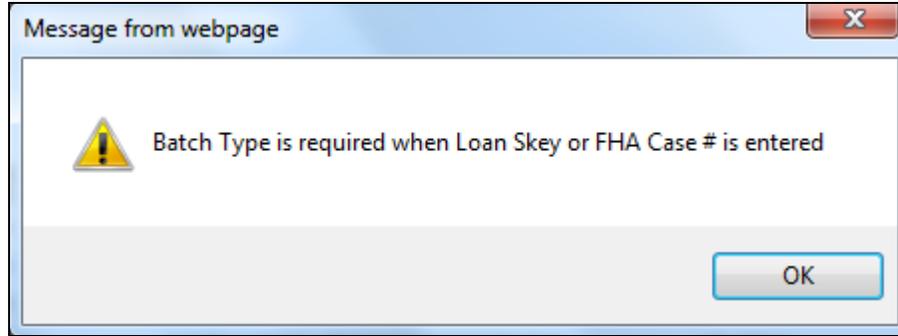


Figure 2: Loan Skey & FHA Case # displayed

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**Figure 3: Error message being displayed**

Transmittal Search Results

[Export to Excel](#)

Batch #	FHA Case #	Batch Type	GL Trans Source	Batch Status Category	Batch Status	Servicer Name	Batch Amt	Ret
		Claims Receivable-HUD Advance	AR	No Pay Order	No Pay Order	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	Receivable/Payable Established	Success - Held	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	Receivable/Payable Established	Success - Held	CIT Bank, N.A.		0
		Claims Receivable-Repurchase	AR	Collection/Payment Completed	Settled	CIT Bank, N.A.		1
		Claims Receivable-Repurchase	AR	No Pay Order	No Pay Order	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	No Pay Order	No Pay Order	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	Receivable/Payable Established	Success - Held	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	Receivable/Payable Established	Success - Held	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	No Pay Order	No Pay Order	CIT Bank, N.A.		0
		Claims Receivable-HUD Advance	AR	Receivable/Payable Established	Success - Held	CIT Bank, N.A.		0

page: 1 of 16 Go results per page: 10 Go 158 records

**Figure 4: Search Results display the FHA Case # & Batch Type**

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## 1.2 Repurchases & HUD Advances (Funds Due HUD)

### 1.2.1 Authorization Screen

Once the timeline Steps for the Repurchase are completed by HUD, the Servicer goes into the Accounting→Authorization tab and enters the Loan Skey and clicks on Search. On clicking on the Search result an Authorization screen appears that displays the UPB, Remaining UPB and the Total Amount (which is the sum of the UPB and Remaining UPB). The Remaining UPB shall change every day as interest accrues. Once the Servicer clicks on Approve, the amount is sent to the Servicer’s bank for collection.

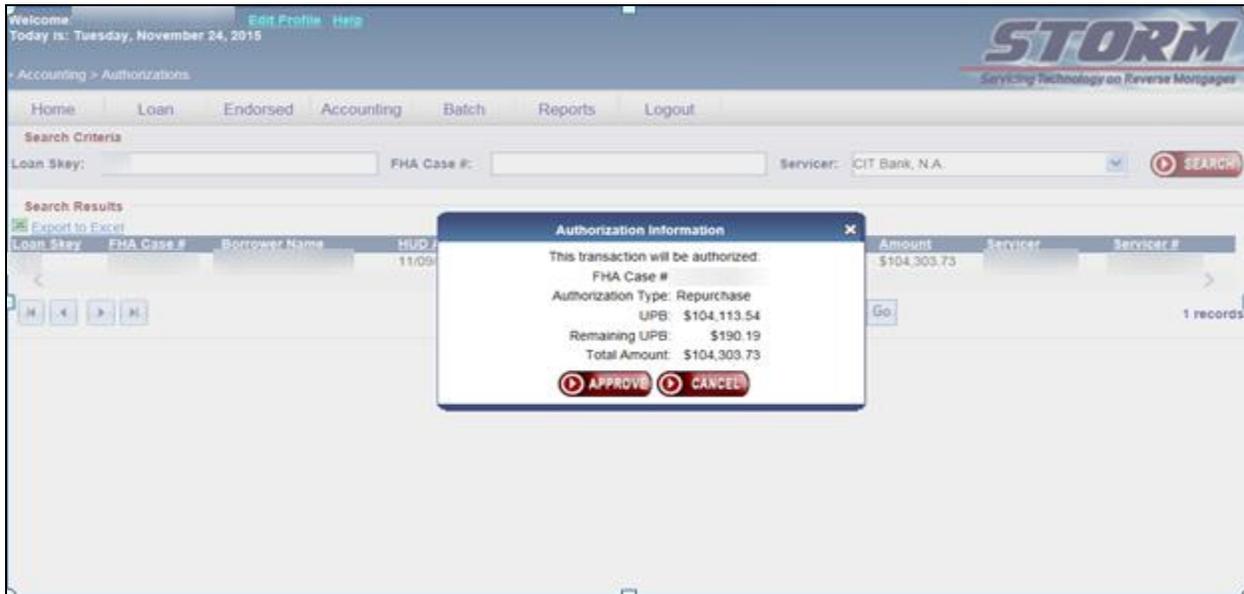


Figure 5: Approving a Repurchase

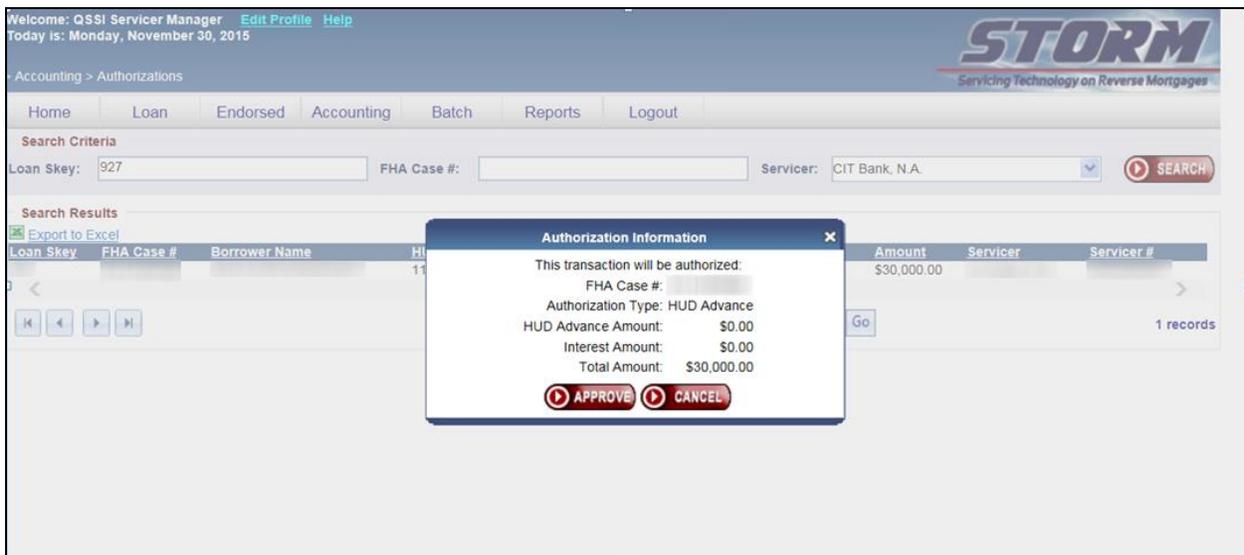


Figure 6: Approving a HUD Advance

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## 1.2.2 Batch Status of Pre Settled for 10 calendar days

The Batch Status of the FHA Case will remain in Pre-Settled status for 10 calendar days. The functionality applies to both Repurchases and HUD Advances.

**Please note that HUD may decide to change the number of calendar days at any time.**

The screenshot shows a web interface for 'Transmittal Search Results'. At the top left, there is a link 'Export to Excel'. Below it is a table with the following data:

Batch #	FHA Case #	Batch Type	GL Trans Source	Batch Status Category	Batch Status	Servicer Name	Batch Amt	Retry
		Claims Receivable-Repurchase	AR	Collection/Payment Completed	Pre-Settled		\$72,836.90	1

Below the table are navigation controls: a left arrow, a right arrow, and a 'page: 1 of 1 Go' button. To the right, there is a 'results per page: 10 Go' button and a '1 records' indicator.

**Figure 7: Pre Settled status for 10 calendar days**

## 1.2.3 Batch Status of Settled status after 10 calendar days

The Batch Status of the FHA Case will change to Settled status after 10 calendar days if no Debit Voucher (amount not collected) is returned on the case. The functionality applies to both Repurchases and HUD Advances.

The screenshot shows a web interface for 'Transmittal Search Results' with search filters. The filters are: Loan Key: (empty), Batch #: 1099906, Batch Type: Claims Receivable, FHA Case #: (empty), Created Date: >= (empty) <= (empty), Batch Status Category: --ALL--. A 'SEARCH' button is visible. Below the filters is a table with the following data:

Batch #	FHA Case #	Batch Type	GL Trans Source	Batch Status Category	Batch Status	Servicer Name	Batch Amt	Retry
		Claims Receivable-Repurchase	AR	Collection/Payment Completed	Settled		\$72,836.90	1

Below the table are navigation controls: a left arrow, a right arrow, and a 'page: 1 of 1 Go' button. To the right, there is a 'results per page: 10 Go' button and a '1 records' indicator.

**Figure 8: Settled status after 10 calendar days**

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## 1.2.4 On Batch Status changing to Settled status, approval Steps being added on the timeline and auto note

For Repurchase loans, once the Batch Status for the FHA Case changes to Settled, 'HUD Verifies Repayment of Claim' is added on the timeline and an auto note 'HUD verifies Repayment of Repurchase' is added in the Notes section.

For the HUD Advances, once the HUD Advance has been collected successfully i.e. Batch status changes to Settled, the loan's case sub-status changes to the prior servicing sub-status.

Loan Information	Borrower Information	Servicer Information	Balance Information
<b>FHA Case #:</b> [REDACTED] <b>Loan Skey:</b> [REDACTED] <b>Case Status:</b> Endorsed <b>Case Sub-Status:</b> Payment Suspended <b>Product Type:</b> HECM STANDARD <a href="#">Go to Loan Search</a>	<b>Borrower:</b> [REDACTED] <b>SSN:</b> [REDACTED] <b>DOB:</b> [REDACTED] <b>Address:</b> [REDACTED] <b>Co-Borrower:</b> <b>NBS:</b> No <b>Deferred:</b> No	<b>Lender Loan #:</b> [REDACTED] <b>Servicer #:</b> [REDACTED] <b>Lender Name:</b> [REDACTED] <b>Servicer Name:</b> [REDACTED] <b>Investor Name:</b> [REDACTED]	<b>Pay Plan Type:</b> Line of Credit <b>Loan Balance:</b> \$72,762.44 <b>Max Claim:</b> \$72,000.00 <b>% of Max Claim:</b> 101.058 % <b>NPL:</b> (\$1,121.29) <a href="#">Print Loan Details</a>

[Go to Search Results](#)

**Step Information: Assignment Repurchase**



#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create Date
1	Recommend Repurchase to HUD	12/08/2015	12/08/2015	HUD Contractor		Active	12/08/2015 01:53
2	Servicer Authorizes Repayment of Claim	12/10/2015	12/10/2015	Servicer		Active	12/10/2015 10:47
3	HUD Verifies Repayment of Claim	12/10/2015	12/10/2015	HUD		Active	12/10/2015 06:30
4	HUD Approves Pre-Repurchase	12/13/2015	12/02/2015	HUD		Active	12/08/2015 01:53
5	Pre-Repurchase Letter Issued to Servicer	12/18/2015	12/08/2015	HUD Contractor		Active	12/08/2015 01:53
6	HUD Approves Repurchase	01/17/2016	12/07/2015	HUD		Active	12/08/2015 01:53
7	Repurchase Letter Issued to Investor	01/22/2016	12/01/2015	HUD Contractor		Active	12/08/2015 01:53
8	Repurchase Package Sent to Servicer	03/04/2016	12/13/2015	HUD Contractor		Active	12/11/2015 08:01
9	Assignment to Servicer sent for recording	03/04/2016	12/13/2015	HUD Contractor	Test ID 2543	Active	12/11/2015 08:01
10	Received Recorded Assignment	08/31/2016		HUD Contractor		Active	12/11/2015 08:01

10 Step(s)

Figure 9: Repurchase Timeline steps added

Loan Information	Borrower Information	Servicer Information	Balance Information
<b>FHA Case #:</b> [REDACTED] <b>Loan Skey:</b> [REDACTED] <b>Case Status:</b> Endorsed <b>Case Sub-Status:</b> Loan Active <b>Product Type:</b> HECM STANDARD <a href="#">Go to Loan Search</a>	<b>Borrower:</b> [REDACTED] <b>SSN:</b> [REDACTED] <b>DOB:</b> [REDACTED] <b>Address:</b> [REDACTED] <b>Co-Borrower:</b> <b>NBS:</b> No <b>Deferred:</b> No	<b>Lender Loan #:</b> [REDACTED] <b>Servicer #:</b> [REDACTED] <b>Lender Name:</b> [REDACTED] <b>Servicer Name:</b> [REDACTED] <b>Investor Name:</b> [REDACTED]	<b>Pay Plan Type:</b> Line of Credit <b>Loan Balance:</b> \$110,561.81 <b>Max Claim:</b> \$77,000.00 <b>% of Max Claim:</b> 143.586 % <b>NPL:</b> (\$56,436.63) <a href="#">Print Loan Details</a>

[Go to Search Results](#)

**Step Information: Request for HUD Advance (Assignment)**

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create Date
1	Unscheduled Request for Funds Received - pushes MCA > 100%	12/02/2015	12/09/2015	Servicer		Active	12/0
2	Upload Request for HUD Advance Package	12/02/2015	12/09/2015	Servicer		Active	12/0
3	Request for HUD Advance Received from Servicer	12/03/2015	12/02/2015	HUD Contractor		Active	12/0
4	Request for HUD Advance Processed	12/05/2015	12/01/2015	HUD Contractor		Active	12/0
5	Assignment Denied / Payoff Issued	12/09/2015	12/01/2015	HUD Contractor		Active	12/0
6	Servicer Authorizes Repayment of Claim	12/10/2015	12/10/2015	Servicer		Active	12/1
7	HUD Verifies Repayment of HUD Advance	12/10/2015	12/10/2015	HUD		Active	12/1
8	Assignment Package Received from Servicer	03/01/2016	12/02/2015	HUD Contractor		Active	12/0

8 Step(s)

Figure 10: Request for HUD Advance Timeline steps added

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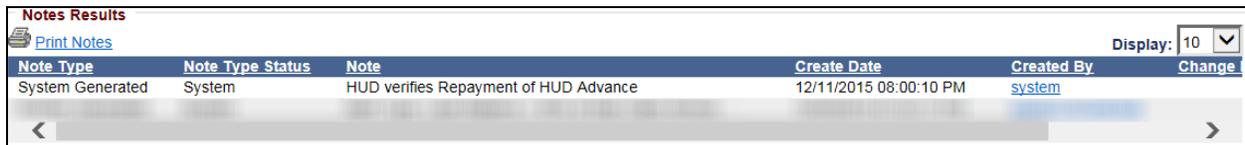


Notes Results

[Print Notes](#) Display: 10

Note Type	Note Type	Status	Note	Create Date	Created By	Change Date
System Generated	System		HUD verifies Repayment of Repurchase	12/11/2015 08:00:10 PM	system	

**Figure 11: Auto Note added for Repurchase**



Notes Results

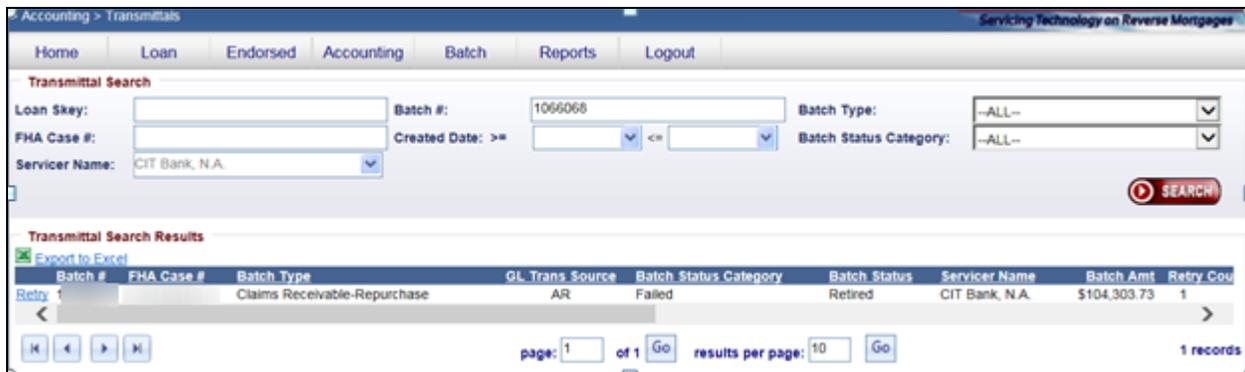
[Print Notes](#) Display: 10

Note Type	Note Type	Status	Note	Create Date	Created By	Change
System Generated	System		HUD verifies Repayment of HUD Advance	12/11/2015 08:00:10 PM	system	

**Figure 12: Auto Note added for HUD Advances**

### 1.2.5 Debit Vouchers

If a Debit Voucher (amount not collected) is returned, then a Retry link is available to the Servicer. The Servicer needs to go in and retry the link. The functionality applies to both Repurchases and HUD Advances.



Accounting > Transmittals

Home Loan Endorsed Accounting Batch Reports Logout

Transmittal Search

Loan Key: Batch #: 1066068 Batch Type: --ALL--

FHA Case #: Created Date: >= <= Batch Status Category: --ALL--

Servicer Name: CIT Bank, N.A.

SEARCH

Transmittal Search Results

Batch #	FHA Case #	Batch Type	GL Trans Source	Batch Status Category	Batch Status	Servicer Name	Batch Amt	Retry Cou
<a href="#">Retry</a> 1		Claims Receivable-Repurchase	AR	Failed	Retired	CIT Bank, N.A.	\$104,303.73	1

page: 1 of 1 Go results per page: 10 Go 1 records

**Figure 13: Retry link available**

**Note:** Existing Repurchases and Funds Due HUD that were created prior to 12/19 and had batches created will be available for Authorization in January 2016. Please see the HECM SP message board in Jan for further updates.

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## 1.2.6 Assignment Denied – Funds Due HUD case sub status appearing in Search results

Authorized Users can search by case sub status of 'Assignment Denied – Funds Due HUD' on all relevant screens.

The screenshot shows a web application interface for loan management. At the top, there is a navigation bar with tabs: Home, Loan (selected), Endorsed, Accounting, Batch, Reports, and Logout. The main area is titled 'Loan Search' and contains several input fields and dropdown menus for search criteria. The 'Case Sub-Status' dropdown is set to 'Assignment Denied - Funds Due HUD'. Below the search fields are 'CLEAR' and 'SEARCH' buttons. The 'Loan Search Results' section shows a table with columns: Loan Key, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Borrower LName, Borrower FName, Index Type, and Property Address. The table contains 10 rows of data, all with 'Endorsed' Case Status and 'Assignment Denied - Funds Due HUD' Case Sub-Status. An 'Export to Excel' link is visible above the table.

Loan Key	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Borrower FName	Index Type	Property Address
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	
			Endorsed	Assignment Denied - Funds Due HUD			1-Year CMT	

Figure 14: Search on Endorsed & Assignment Denied – Funds Due HUD

## 1.2.7 Not allow Termination of a loan with outstanding HUD Advance

Authorized Users will get an error message when they try to Terminate a loan with an unpaid HUD Advance. The User will not be able to Terminate the loan.

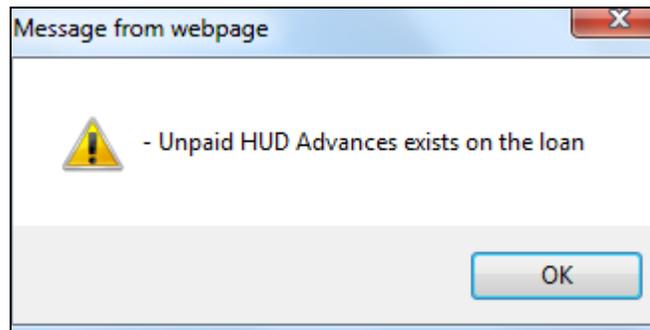


Figure 15: Trying to Terminate a loan with unpaid HUD Advance

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## 1.2.8 Not allow deactivation of a HUD Advance timeline once it is created

Authorized user shall not be able to deactivate the HUD Advance timeline once it is initiated.

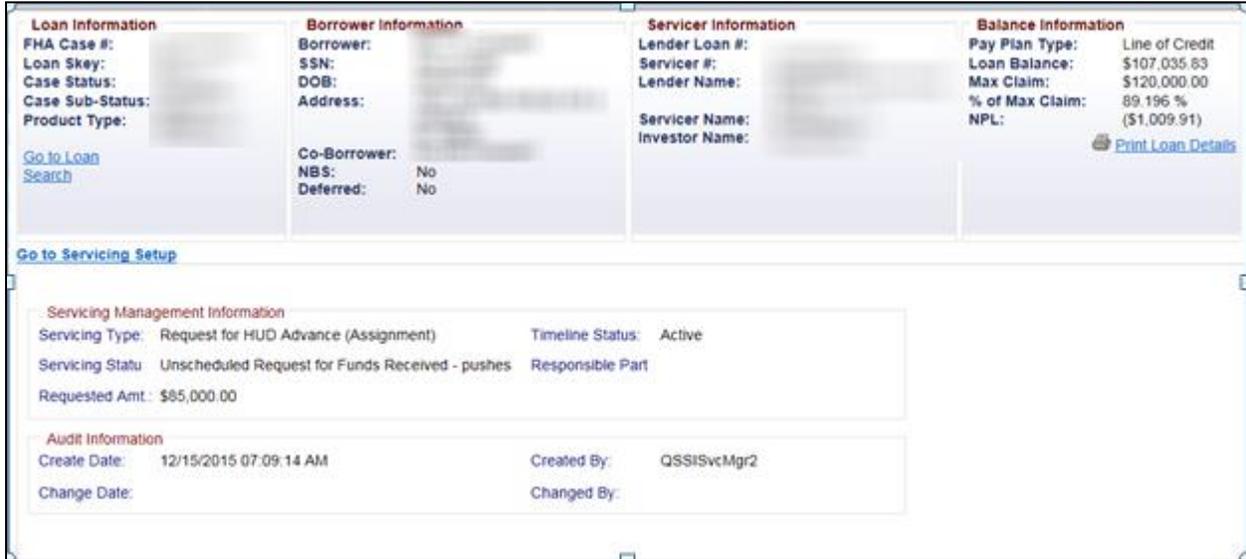


Figure 16: Trying to Deactivate a HUD Advance timeline

## 1.3 Not Allowing CT21, 22, 23, 24 Timelines to be Inactivated

For CT 21, 23 & 24 Authorized Users shall not be able to Inactivate the timeline once the claim has been approved for payment.

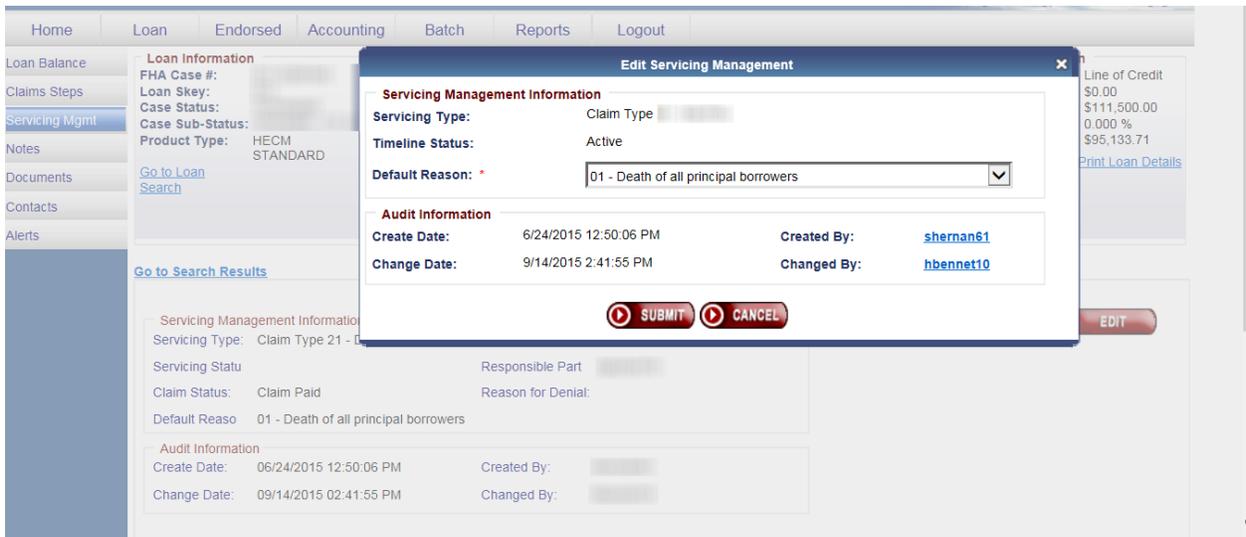


Figure 17: Unable to Inactivate a CT 21, 23 & 24 Timeline



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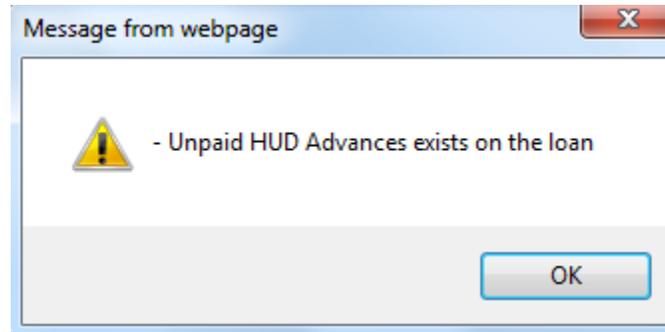
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### 1.5 Not include HUD Advance as part of CT-21 or CT-23

#### 1.5.1 Not allow initiation of CT 21 OR CT 23 Timelines when there are unpaid HUD Advances

If there is an unpaid HUD Advance Amount on the loan then an error message will be displayed when the User tries to initiate a Claim Type 21 or 23.

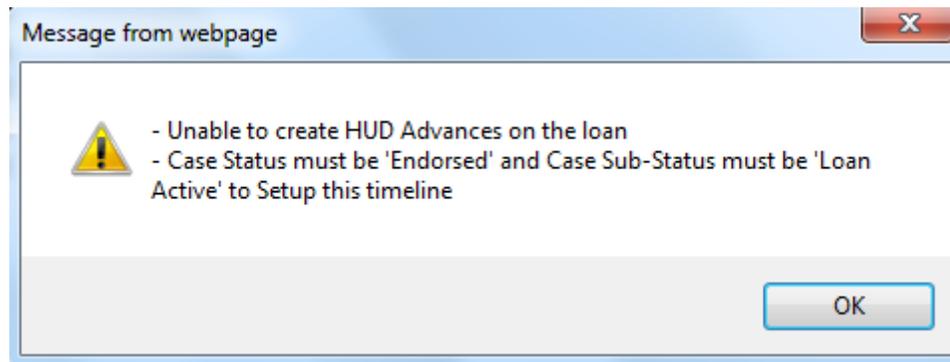
Rule: If the Case Sub Status is 'Assignment Denied- Funds Due HUD' it will be considered as Unpaid HUD Advance on the loan OR if there is an Active Request for HUD Advance (Assignment) timeline without a HUD denial decision (i.e. Assignment Denied/Payoff Issued step doesn't exist).



**Figure 20: Error message when initiating a CT 21 or CT 23 timeline with unpaid HUD Advance**

#### 1.5.2 Not allowing Authorized User to create a HUD Advance Timeline when there is an Active CT 21 or 23 timeline

If there is an active timeline for Claim Type 21 or 23, system will not allow user to create HUD Advances on the loan. An error message will be displayed.



**Figure 21: Error message when creating a HUD Advance on an Active Claim Type of CT 21 or 23**

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### 1.6 Password Reset Functionality

Authorized Active Users shall be able to reset their passwords in case of the account being locked and will not need to call up the Help Desk for a password reset.

The User Name would need to be entered in the Reset Password section below and submitted, a temporary password would be sent to the email address on the account for the User Name immediately.



The screenshot displays the STORM system interface. At the top, the word "STORM" is written in large, bold, blue letters with a white outline. Below it, the tagline "Servicing Technology on Reverse Mortgages" is written in a smaller, blue font. The background features a lighthouse beam shining upwards against a blue sky. Below the header, there are two main sections: "Login" and "Reset Password".

**Login**

User Name:

Password:

 LOGIN

**Your account has been locked.  
Please use the "Reset Password" capability below to reset your password.**

**Reset Password**

User Name:

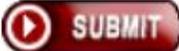
 SUBMIT

Figure 22: Password Reset functionality

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## 1.7 Making Corp Advances editable on Claims Forms

Corp Advances description (Type field below) is editable in certain sections on the Claim Forms CT 21, 23 & 24.

308. Taxes on Deed					
Date Paid	Type	To Mortgagee	To HUD	Amount Paid	Debenture Interest
12/29/2015	Corp Adv - S308 - State - Taxes on Deed	\$0.00	\$0.00	\$500.00	\$0.00
12/29/2015	Corp Adv - S308 - State - Taxes on Deed	\$0.00	\$0.00	\$275.00	\$0.00
Totals				\$775.00	\$0.00

**Figure 23: Corp Advances Field Desc editable**

## 1.8 Updates to Preliminary Title Approval Step to the CT 22 Timeline for the NBS

If the CT22 timeline was created with the checkbox checked that there was an NBS on the loan then system will allow the Preliminary Title Approval step to be completed by the Authorized User when the loan is prior to 97.5%.

## 1.9 Revised Assigned Checklist, CT22 Timeline (Make changes to the existing CT 22 Checklist)

The assignment checklist for the CT 22 timeline has been updated.