

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

HERMIT System Changes – Release 3.72

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Version 1.0

Revision History

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Version	Date	Revision Description	Author
1.0	05/31/2014	<ul style="list-style-type: none">• Release Notes for Release 3.72	HECMSP

1. INTRODUCTION

The HECM SP has released version 3.72 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 answers@hud.gov.

2. HERMIT SYSTEM CHANGES – RELEASE 3.72

2.1 SUMMARY OF CHANGES FOR 10% USAGE AMOUNT

- 10% Usage amount has been removed from the sum of the fields that comprise the Total MO **during** Loan Setup
- 10% Usage amount has been removed from the sum of the fields that comprise the Total MO **after** Loan Setup
- 10% Usage amount has been removed from the IDL validation **after** Loan Setup
- A \$10 threshold amount (positive and negative) has been put back in place for the sum of the fields that comprise the Total MO **during** Loan Setup
- A \$10 threshold amount has been put back in place for any disbursements made **during** Loan Setup for the IDL
- The threshold on the loan for the IDL has been moved back to \$10 **post** Loan Setup

Note: Please refer to the document on the HUD User Guide website link ‘Hermit System Changes – Release 3.7’ for the Total Mandatory Obligations mapping in Section 2.3 “Instructions to Enter Mandatory Obligations and Initial Disbursement Amount in HERMIT”

2.2 HERMIT SYSTEM CHANGES DURING LOAN SETUP – ML 2013-27 and 2013-33 Implementation

2.2.1 *Validation of Mandatory Obligations – At Loan Setup (B2G and Manual)*

The HERMIT system has a validation for the Mandatory Obligations (MO) detail fields entered by the HECM Mortgagee during Loan Setup for the new product type of ‘HECM’. The MO details entered in HERMIT must match the Total Mandatory Obligations (Total MO) received from FHAC. A hard stop message is displayed at Loan Setup when the user attempts to save the information entered on the Loan Setup screen or through B2G Loan Setup Import file, if the details of the fields that comprise the MO do not match the Total MO amount received from FHAC.

Note: System allows a tolerance amount of up to \$10.00 during Loan Setup, where the sum of the fields that comprise the MO does not match the Total MO received from FHAC.

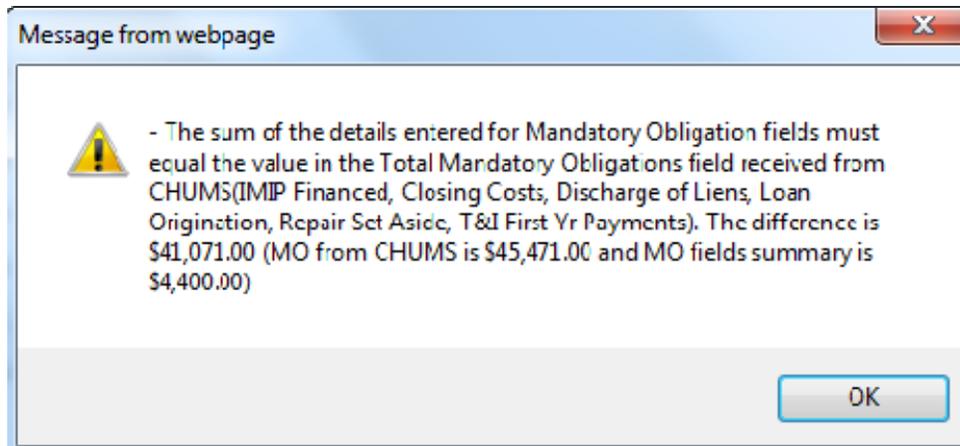


Figure 1: Mandatory Obligations Hard Stop Message

Listed below are the fields that comprise the MO detail fields in HERMIT. These fields are used to validate against the Total MO amount received from FHAC:-

- IMIP Financed (Non-editable and auto-calculated in HERMIT, based on values entered in the fields IMIP Paid by Borrower and IMIP Paid by Lender)
- Loan Origination (Populated by HERMIT User)
- Closing Costs (Populated by HERMIT User)
- Discharge of Liens (Populated by HERMIT User)
- Repair Set-Aside (Populated by HERMIT User)
- T & I 1st Yr Payments (Non-editable in HERMIT; auto-populated from FHAC)

Note: The 10% Usage Amount is no longer included in the calculation. Please refer to the document on the HUD User Guide website link 'Hermit System Changes – Release 3.7' for the Total Mandatory Obligations mapping in Section 2.3 "Instructions to Enter Mandatory Obligations and Initial Disbursement Amount in HERMIT"

Release 3.72 change - The threshold has been moved back to \$10.00 with this release and the 10% Usage amount is no longer included in the sum of the fields that comprise the Total MO.

2.2.2 Validation of Initial Disbursement Limit – At Loan Setup

The HERMIT system will continue to display a hard stop message at Loan Setup, if the sum of MO and Loan Advances/Other Draws amount is greater than the Initial Disbursement Limit (IDL) amount received from FHAC.

The system will continue to display a hard stop message if the Net Principal Limit (NPL) on the loan is < \$0.00.

Note: System allows a tolerance amount of up to \$10.00 during Loan Setup for the Initial Disbursement Limit.

Release 3.72 change - The threshold has been moved back to \$10.00 with this release and the 10% Usage Amount is no longer included in the Initial Disbursement Limit validation.

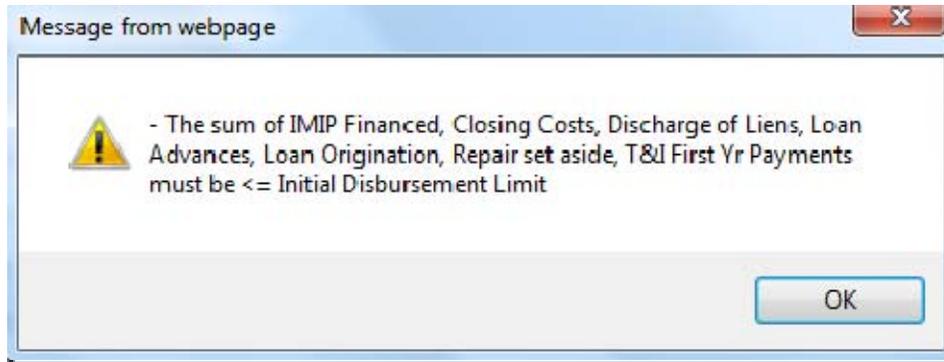


Figure 2: IDL Validation at Loan Setup

2.3 HERMIT SYSTEM CHANGES AFTER LOAN SETUP – ML 2013-27 and 2013-33 Implementation

2.3.1 Validation of Mandatory Obligations – After Loan Setup

HERMIT will validate the sum of the MO detail fields with FHAC’s Total MO amount, when a change is received from FHAC after Loan Setup.

A critical alert is displayed on the loan, when a change in the Total MO amount is received from FHAC. The system will continue to display the alert until the Mortgagee updates the details of the fields that comprise the MO fields in HERMIT, thus inactivating the alert.

Release 3.72 change - The sum of the fields that comprise the Total MO will no longer include the 10% Usage Amount.



Figure 3: Critical Alert Display on Loan

2.3.2 Validation of Initial Disbursement Limit – After Loan Setup

The HERMIT system will continue to display a hard stop message until the expiration of IDL Expiration Date if the Mortgagee reports unscheduled disbursements that will exceed the IDL amount received from FHAC.

Release 3.72 change - The tolerance amount is moved back to \$10.00 tolerance when adding unscheduled/scheduled disbursements during the First 12-Month Disbursement Period.

3. CLAIMS SYSTEM CHANGES (CT 21, CT 22, CT 23 AND SUPPLEMENTALS)

3.1 SUPPLEMENTAL CLAIMS (CT 21 and 23) CHANGES

- System will default the Debenture Interest End date on the Supplemental CT 21/23 to the Settlement Date of the parent claim (CT 21 or CT 23) filed in HERMIT when the Mortgagee met the HUD timeframes to file the parent claim.

Note: If the Block 6 date populated on the parent claim is NOT greater than Block 10 (auto-populated on the Supplemental claim from the original claim) + 15 days, the Debenture Interest End Date of the Supplemental claim will default to Settlement Date of the parent claim (populated on the parent AOP form).

The Supplemental claim form will continue to display Block 6 date with the Supplemental claim timeline step "Servicer Files 27011" is completed.

3.2 TRAILING EXPENSES POPULATION FOR CT 23 AND SUPPLEMENTAL CT 23 (305,308 AND 309)

- For CT 23, system will auto-populate the trailing expenses for section 305, 308 and 309, if the Incurred Date of the transaction \geq Block 8 and \leq Block 10 on the HUD form 27011, irrespective of the Effective Date entered for the transaction.
- For Supplemental CT 23, system will auto-populate the trailing expenses for section 305, 308 and 309, if the Incurred Date of the transaction \geq Block 8 and \leq Block 10 on the HUD form 27011, irrespective of the Effective Date entered for the transaction.

4. HUD ADVANCES

- The claim amount will no longer include the HUD Advance amount reported on the loan, when a CT-22 is filed by the mortgagee.