

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

HERMIT System Changes – Release 3.7

Release Date: 03/08/2014

Document Date: 05/31/2014

Version 1.1

Revision History

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Version	Date	Revision Description	Author
1.1	05/31/2014	<ul style="list-style-type: none">• Removed 10% Usage Amount from the table in Section 2.3 'Instructions to Enter Mandatory Obligations and Initial Disbursement Amount in HERMIT'.• Added a note on the removal of the 10% Usage Amount at the bottom of the table in Section 2.3	HECMSP

1. INTRODUCTION

The HECM SP has released version 3.7 of the HERMIT software which consists of a Mandatory Obligations and Initial Disbursement Limit validation that will be used during the First 12-Month Disbursement Period to accommodate the policy changes announced in ML 2013-27 and 2013-33. The information in this document must be followed to initiate the collection of the Initial Mortgage Insurance Premium (IMIP), either manually or using the Business-to-Government (B2G) function, by using the Mandatory Obligations Mapping instructions found in section 2.3 below to match data sent from FHA Connection (FHAC) to specific data fields located on HERMIT's Loan Setup screen.

This document contains a listing of new data fields and a brief description of how the new fields will be used; explains the Mandatory Obligations and Initial Disbursement Limit validation processes; and defines steps required to correct critical alerts generated by the system as a result of the validation processes. In addition, Single Disbursement Lump Sum payment option instructions and the Mapping of Mandatory Obligations defined in this document supersede instructions found in the "Instruction to Enter Lump Sum Payment Option in HERMIT for Program Changes" dated October 2013.

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 answers@hud.gov.

1.1 HERMIT SYSTEM CHANGES AT LOAN SETUP – ML 2013-27 and 2013-33 Implementation

1.1.1 *New Fields Received from FHAC – At Loan Setup*

The HERMIT system will display eight new fields received from FHA Connection (FHAC) that will be non-editable in HERMIT. The new fields, listed below, will be displayed on the Loan Setup page and the Loan Details page. A screen shot for each page where the information is displayed is also contained in this section.

- 10% Usage Indicator
- 10% Usage Amt
- T&I First Yr. Payments
- 60% of OPL
- IDL Amt
- Total MO Amt (Note: The information bubble beside this field displays the list of HERMIT fields that make up the Total Mandatory Obligations amount received from FHAC)
- MO Cash from Borrower
- MO Cash from Lender

Loan Information		Create Date: 02/20/2014		60% of OPL: \$55,650.00	
Loan Skey:	Borrower Name:	Lender Name:	IDL Amt:	Total MO Amt:	\$10,125.00
FHA Case #:	Borrower SSN:	Max Claim Amount: \$198,500.00	MO Cash From:	MO Cash From:	\$0.00
Product Type: HECM	Borrower DOB:	Property City, St. Zip:	MO Total = IMIP Financed + Loan Origination + Closing Costs + Discharge of Liens + RSA + T & I First Yr Payments + 10% Usage Amt		
Prior Case #: N/A	Property Address:	T&I First Yr. Payments: \$0.00			
10% Usage Indicator:	10% Usage Amt: \$0.00				

Rates Information	Loan Dates	Principal Limit Calculation
Interest Rate at Closing: %	Closing Date: [Dropdown]	Original Principal Limit: \$92,750.00
Exp. Interest Rate: %	Funded Date: [Dropdown]	IMIP Paid By Lender: \$0.00
Rate Type: [Dropdown]	Application Date: [Dropdown]	IMIP Paid By Borrower: \$0.00
Index Type: [Dropdown]	Exp. Rate Index Date: [Dropdown]	IMIP Financed: \$992.50
Lifetime Cap: %	Exp. Rate Locked: [Dropdown]	IMIP Total: \$992.50
Periodic Cap: %	Title Held As: [Dropdown]	+ Closing Costs: [Field]
Margin: %		+ Discharge of Liens: [Field]
ARM First Change Date: [Dropdown]	Pay Plan	+ Loan Advance/Other Draws: [Field]
Credit Type: [Dropdown]	Pay Plan Type: [Dropdown]	+ Loan Origination: [Field]
Round to 1/8th: <input type="checkbox"/>	Tax Ins Responsible Party: [Dropdown]	= Total Loan Balance: \$992.50
Lender/Service/Investor Information	Pay Plan Term (in months): [Field]	- Service Fee Set Aside: [Field]
Lender Loan #: [Field]	Monthly Payment Amount: [Field]	- Repair Set Aside: [Field]
Service/Sub-Service: [Field]	- Monthly Tax & Ins. Withheld: \$0.00	- First Year Set Aside: [Field]
Investor: [Field]	= Net Monthly Payment: \$0.00	- Credit Line Set Aside: [Field]
	First Payment Date: [Dropdown]	= Net Principal Limit: \$91,757.50
	Monthly Service Fee: [Field]	- Repair Admin Fee: [Field]

Figure 1: Loan Setup Screen Changes

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

The HERMIT system now 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 make up 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 make up the MO does not match the Total MO received from FHAC.

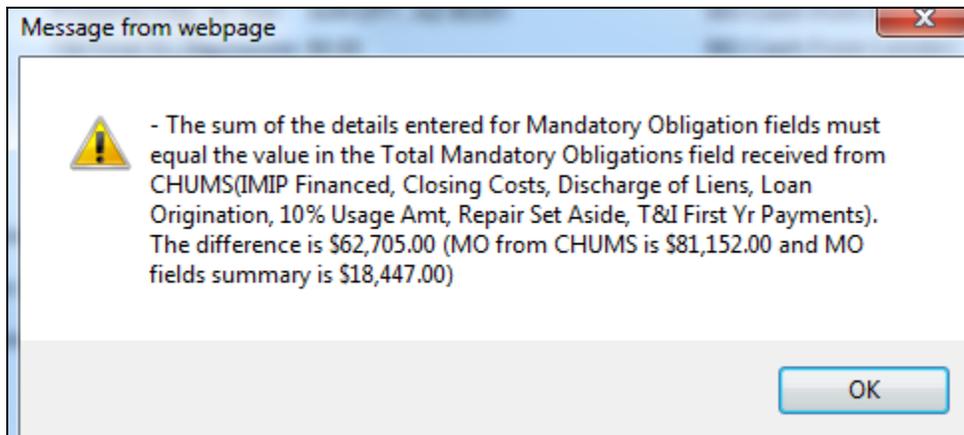


Figure 2: Mandatory Obligations Hard Stop Message

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)
- 10% Usage Amount (Non-editable in HERMIT; auto-populated from FHAC)
- T & I 1st Yr Payments (Non-editable in HERMIT; auto-populated from FHAC)

1.1.3 Changes on Mandatory Obligations – At Loan Setup

The HERMIT system will accept changes from FHAC on loans in suspense status for the eight new fields received from FHAC. Any change made in FHAC for the eight new fields will be reflected appropriately after the FHAC to HERMIT nightly interface file is processed.

The HERMIT system will continue to allow Mortgagees to modify the MO detail fields at Loan Setup if the field is editable.

1.1.4 Validation of Initial Disbursement Limit – At Loan Setup

The HERMIT system will now 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.

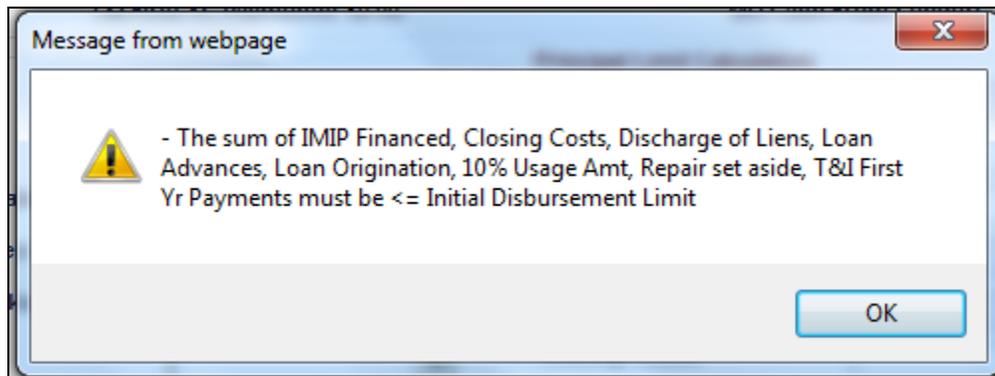


Figure 3: IDL Validation at Loan Setup

1.1.5 Calculation of IDL Expiration Date

The HERMIT system now calculates the IDL Expiration Date per ML 2013-27 based on the Closing Date entered at Loan Setup. The IDL Expiration Date is displayed on the Loan Balance page, after Loan Setup. The system takes into account the below Federal Holidays, when calculating the IDL Expiration Date:-

- New Year Day (January 1st)
- Memorial Day
- Independence Day (July 4th)

- Labor Day
- Thanksgiving Day
- Christmas Day (December 25th)

1.1.6 OPL calculation in HERMIT adjusted to match HUD HECM calculator

The OPL calculation in the HERMIT system has been adjusted to match the HUD HECM Calculator, by rounding the age of the youngest Borrower to the next whole year as of the first day of the month the loan is closed.

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

1.2.1 Validation of Mandatory Obligations – After Loan Setup

HERMIT will now 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.



Figure 4: Critical Alert Display on Loan

1.2.2 Adjustment of Mandatory Obligations – After Loan Setup

The HERMIT system will now allow the Mortgagee to adjust the amounts in the Loan-> Transactions screen. Editable fields that comprise the MO and are listed below:

- Loan Origination
- Closing Costs
- Discharge of Liens



Figure 5: Adjust Principal Amount for Mandatory Obligations Fields

Steps to Adjust/Correct Editable Fields in Loan Transactions Screen:-

1. Select the Loan->Transactions screen, and then select the Adjustment icon beside the transaction (For Closing Costs/ Loan Origination/Discharge of Liens).
2. In the Adjust Loan Transaction window, enter the correct amount in Principal Amount field. Click Submit.
3. The adjusted amount is displayed in the Loan->Transactions screen.

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	Co	
02/28/2014	01/07/2014	1090	Loan Setup - Adj	(\$119,000.00)	\$0.00	\$0.00	\$0.00	(\$119,000.00)		
02/28/2014	01/31/2014	1190	Auto-Adjust Int Mip SF	\$0.00	(\$469.48)	(\$97.81)	\$0.00	(\$567.29)		
02/14/2014	01/31/2014	1190	Auto-Adjust Int Mip SF	\$0.00	\$473.42	\$98.63	\$0.00	\$572.05		
02/14/2014	01/07/2014	1018	Loan Setup - Discharge of Liens	\$120,000.00	\$0.00	\$0.00	\$0.00	\$120,000.00		
02/14/2014	01/07/2014	1014	Loan Setup - Initial MIP Fee	\$0.00	\$0.00	\$5,062.00	\$0.00	\$5,062.00		
02/14/2014	01/31/2014	1190	Auto-Adjust Int Mip SF	\$0.00	\$19.97	\$4.16	\$0.00	\$24.13		
				\$1,000.00	\$23.91	\$5,066.98	\$0.00	\$6,090.89		

Figure 6: Loan Transaction Results after Correction of MO Field

1.2.3 Changes on Mandatory Obligations – After Loan Setup

The HERMIT system will accept changes from FHAC after Loan Setup for the eight new fields. Any change made in FHAC for the eight new fields will be reflected appropriately after the FHAC to HERMIT nightly interface file is processed.

The HERMIT system will continue to allow Mortgagees to modify the MO detail fields at Loan Setup if the field is editable.

1.2.4 Display of First 12 months Fields – After Loan Setup

The HERMIT system displays the eight new fields received from FHAC and the IDL Expiration Date in the Loan Balance screen.

Other Balances T & I Withheld: \$0.00 Loss Draft Amount: ① \$0.00 IMIP Paid By Lender: \$0.00 IMIP Paid By Borrower: \$0.00 Prop Chrg Pre-D&P: \$0.00 Fees Repair Admin Fee: \$0.00		Payment Plan Information Pay Plan Type: Line of Credit Tax Ins Responsible Party: Monthly Payment: \$0.00 Monthly Tax & Ins. Withheld: \$0.00 Net Monthly Payment: \$0.00 # of Remaining Payments: 0 Payment Status: Active Payments Maximum Claim Amount: \$335,250.00 	
Credit Line Set Aside Information Current Net Credit Line: \$0.00		First 12 months 60% of OPL: \$129,266.00 MO Cash from Borr: \$0.00 IDL Amt: \$165,089.00 MO Cash from Lender: \$0.00 Total MO Amt: ① \$152,163.00 10% Usage Indicator: Y T&I First Yr. Payments: \$0.00 10% Usage Amt: \$12,926.00 IDL Expiration Date: 02/11/2015	
Audit Information Create Date: <input type="text"/> Created By: <input type="text"/> Change Date: <input type="text"/> Changed By: <input type="text"/>			

Figure 7: First 12 Months Fields Display

1.2.5 Validation of Initial Disbursement Limit – After Loan Setup

The HERMIT system will now 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.

The system will allow a \$10.00 tolerance amount when adding unscheduled/scheduled disbursements during the First 12-Month Disbursement Period.

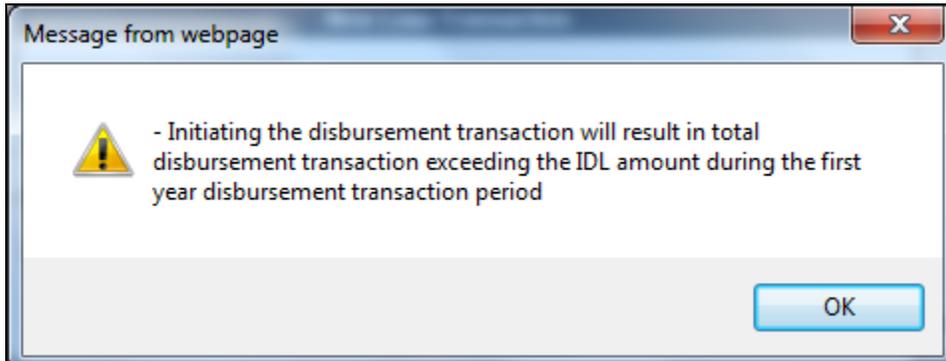


Figure 8: IDL Validation after Loan Setup

LOC pay plan: A hard stop message is displayed, if the total unscheduled advances exceed the IDL amount during the First 12-Month Disbursement Period.

Term/Tenure pay plans: System will not add the scheduled disbursement transaction (based on the monthly amount entered by Mortgagee) on the loan, if the total disbursements exceed the IDL during the First 12-Month Disbursement Period. System will continue to add the scheduled disbursement transaction, upon expiration of IDL Expiration Date. To modify the monthly pay plan amount, Mortgagee can continue to use the Change of Plan (COP) screen.

Modified Term/Modified Tenure: A hard stop message is displayed, if the total unscheduled advances along with scheduled advances exceed the IDL amount during the First 12-Month Disbursement Period. System will not add the scheduled disbursement transaction (based on the monthly amount entered by Mortgagee) on the loan, if the total disbursements (unscheduled and scheduled) exceed the IDL during the First 12-Month Disbursement Period.

LOC + Close-Ended pay plan: System will continue to not allow the Mortgagee to report any unscheduled advances with exception to Property Charges Pre Due & Payable transactions, due to NPL = \$0.00.

1.2.6 Repair Set-Aside Disbursements

The HERMIT system will not count funds disbursed from Repair Set Aside during the first 12 months toward Initial Disbursement Limit as they have already been counted as part of Mandatory Obligations at Loan Setup.

Guidance to Add Repair Set-Aside Disbursement for LOC pay plan when Credit Type = Close-Ended:

The HERMIT system currently does not allow Mortgagee to report disbursements from Repair Set Aside, when the pay plan = LOC and credit-type = Close-Ended, due to NPL = \$0.00 after loan setup. Mortgagee can use the instructions below to report the Repair Set-Aside disbursements in such cases:-

1. Select the loan and change the credit-type = open ended on the Loan Balance screen.
2. Report the Repair Set Aside Disbursement transactions in the Loan->Transactions screen.
3. Change the credit-type = close ended on the Loan balance screen, after recording the disbursement.

2. SINGLE DISBURSEMENT LUMP SUM PAYMENT PLAN OPTION

2.1 Background

The user will have the option to enter the Lump Sum payment option in FHAC but will also need to enter the information in HERMIT as the data will not currently be sent to HERMIT from FHAC. The instructions in this document will outline how a user can enter a Lump Sum payment option in HERMIT. Lenders will continue to follow existing guidance for entering the original five payment plan type options (Line of Credit, Term, Tenure, Modified Term, and Modified Tenure) in HERMIT. However, the payment plan type of “Line of Credit” will also be used to record the Lump Sum payment plan and the Credit Option of “Closed-Ended” will also be used to restrict the recording of disbursements in HERMIT.

This document also includes a detailed mapping chart in section 2.3 for entering Mandatory Obligations on the Loan Setup screen in HERMIT. Authorized users must enter the amount of Mandatory Obligations for all six payment plan types in HERMIT.

2.2 Performing manual Loan Setup in HERMIT for Single Disbursement Lump Sum Payment Plan Option

This section describes the manual loan setup process using the Loan Setup screen in HERMIT for the Lump Sum payment plan option, which requires a single disbursement at closing. This screen allows the user to setup one loan at a time. The B2G option can be used to set up multiple loans at once and is described later in the instructions.

The key case-level data on the Loan Setup screen is populated in HERMIT with the information received from FHAC. An authorized user is required to enter additional loan data to complete the loan setup process to initiate the remittance of IMIP. To perform the Lump Sum payment option in HERMIT, the user will need to follow the steps outlined below:

2.2.1 *Performing Loan Setup Manually*

To perform loan setup:

Step 1. Select the Loan tab.

Step 2. Enter the FHA case number of the loan. Click Search.

Step 3. Click the Setup link beside the loan displayed under the Loan Search Results section.

Welcome: [User] Edit Profile Help
Today is: Sunday, January 22, 2012

> Loan

Home Loan Endorsed Accounting Batch Reports Logout

Loan Search

Loan Key: Borrower LName: Lender Name:

Lender Loan #: Index Type: --ALL-- Servicer Name:

FHA Case #: Property Address: Investor Name:

Case Status: Suspense Property State: --ALL-- Product Type: --ALL--

Case Sub-Status: Loan Active Property County: --ALL-- Pay Plan Type: --ALL--

Loan Search Results

Loan Key	Lender Loan #	FHA Case #	Case Status	Case Sub-Status	Borrower LName	Borrower FName	Index Type	Property Address	Pr
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL
Setup			Suspense	Loan Active			No Index		AL

page: 1 of 797 Go results per page: 10 Go 7965 Record(s)

Figure 9: Loan Search Screen - Suspense Loans

Step 4. On the Loan Setup screen, enter the loan details (Required fields are marked with an asterisk) to complete the loan setup. Refer to HERMIT User Guide for details on each of the fields displayed on the loan setup screen.

Step 5. To record the Mandatory Obligations entered in FHAC, the user will need to also enter the amounts according to the mapping in Section 2.3. Some amounts such as IMIP will be populated from FHAC or will need to be entered by the user in other fields on the Loan Set up screen. Please see Section 2.3 for the mapping of the Mandatory Obligation items to the fields in HERMIT for the Loan Setup screen.

Prior Case #: N/A Property Address: [Address] Property City, St, Zip: [City, State, Zip]

Rates Information

Interest Rate at Closing: *

Exp. Interest Rate: *

Rate Type: *

Index Type: *

Lifetime Cap:

Periodic Cap:

Margin:

ARM First Change Date: *

Credit Type: *

Round to 1/8th: Open-Ended Closed-Ended

Lender/Servicer/Investor Information

Lender Loan #:

Servicer/Sub-Servicer:

Investor:

Loan Dates

Closing Date: *

Funded Date: *

Application Date: *

Exp. Rate Index Date: *

Exp. Rate Locked: *

Title Held As:

Pay Plan

Pay Plan Type: *

Tax Ins Responsible Party: *

Pay Plan Term (in months): *

Monthly Payment Amount: *

Monthly Tax & Ins. Withheld: \$0.00

Net Monthly Payment: \$0.00

First Payment Date: *

Monthly Service Fee: *

Principal Limit Calculation

Original Principal Limit: \$138,999.00

IMIP Paid By Lender: \$0.00 *

IMIP Paid By Borrower: \$0.00 *

IMIP Financed: \$2,780.00

IMIP Total: \$2,780.00

+ Closing Costs:

+ Discharge of Liens:

+ Loan Advance/Other Draws:

+ Loan Origination:

+ Total Loan Balance: \$2,780.00

- Service Fee Set Aside:

- Repair Set Aside:

- First Year Set Aside:

- Credit Line Set Aside:

= Net Principal Limit: \$136,219.00

- Repair Admin Fee:

Figure 10: Loan Setup Screen

Step 6. To record the amount of the Lump Sum payment made to the borrower at closing, the user will enter that amount in HERMIT in the 'Loan Advance/Other Draws' field.

Step 7. As part of the required fields, the Payment Plan field must be entered by the User. For the Lump Sum payment option, the user will need to choose the Line of Credit option for the Payment Plan.

Step 8. The user will then need to choose the Credit Type of Closed-Ended. This will ensure the user will not be able to draw more money from the loan and will prevent further disbursements to the borrower. By setting the Payment Plan to Line of Credit with the option of 'Closed-Ended' it sets the Net Principal Limit on the loan to zero thus restricting further scheduled/unscheduled disbursements from being added in HERMIT and at this point only Pre D&P property charges would be allowed to be entered on the loan.

Note: Please refer to section 1.2.6 for instructions to add disbursements from repair set-aside for Single Disbursement Lump Sum Payment plan.

2.2.2 Performing Loan Setup through B2G

To prepare a B2G loan setup import file:

Step 1. Select Servicer File Upload, from the Batch tab.

Step 2. Select Loan Setup.

Step 3. On the File Download screen, click Open; this action opens an Excel template.

Step 4. Enter valid values for each column. For each of the field a comment is displayed when user points on the column name. The comment provides the user with the following information:

- whether the field is required, optional or conditionally required
- format/valid values for each field

Step 5. To record the Mandatory Obligations entered in FHAC, the user will need to also enter the amount in HERMIT in the "Discharge of liens" field. Some amounts such as IMIP will be populated from FHAC on the Loan Setup screen or will need to be entered by the user in other fields in the B2G. Please see Section 2.3 for the mapping of the Mandatory Obligation items to the fields in HERMIT for the Loan Setup screen.

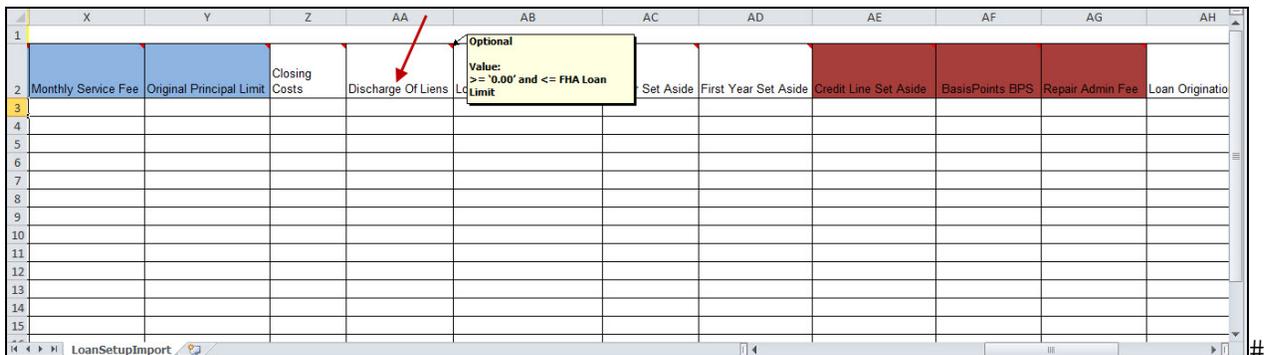


Figure 11: Servicer File upload template

Step 6. To record the amount of the Lump Sum payment made to the borrower at closing, the user will enter that amount in HERMIT in the 'Loan Advance/Other Draws' field.

Figure 12: Servicer File upload template

Step 7. For the Lump Sum payment option, the user will need to choose the Line Of Credit option for the Pay Plan which is the code of 10.

Figure 13: Servicer File upload template

Step 8. The user will then need to choose the Credit Type of Closed-Ended. This will ensure the user will not be able to draw more money from the loan and will prevent further disbursements to the borrower. By setting the Payment Plan to Line of Credit with the option of 'Closed-Ended' it sets the Net Principal Limit on the loan to zero thus restricting further scheduled/unscheduled disbursements from being added in HERMIT and at this point only Pre D&P property charges would be allowed to be entered on the loan.

Figure 14: Servicer File upload template

Note: To Save and Upload the B2G file, please follow the process outlined in the HERMIT User Guide.

2.3 Instructions to Enter Mandatory Obligations and Initial Disbursement Amount in HERMIT

The Mandatory Obligations amount will need to be entered in HERMIT on the Loan Setup screen. The mapping below will ensure the Mandatory obligations are mapping properly to the fields in HERMIT.

Note: All principal advances made to the **Borrower** should be populated in the Loan Advance/Other Draws data field during Loan Setup.

Item #	Mandatory Obligations in Mortgagee Letter 2013-27 for Traditional and Refinance Transactions	Mandatory Obligations in Mortgagee Letter 2013-27 for Purchase Transactions	Mapping on Loan Set up screen in HERMIT
1	Initial MIP	Initial MIP	IMIP Financed Note: IMIP Paid by Lender and IMIP Paid by Borrower will reduce the IMIP Financed amount. The Mortgagee will need to enter the IMIP portion of MO Cash from Borrower into the IMIP from Borrower field and IMIP portion of MO Cash from Lender into the IMIP from Lender field. Both of these fields affect the NPL.
2	Loan Origination Fee	Loan Origination Fee	Loan Origination
3	HECM Counseling	HECM Counseling	Closing Costs
4	Reasonable and customary amounts, but not more than the amount actually paid by	Reasonable and customary amounts, but not more than the amount actually paid by	Closing Costs

Item #	Mandatory Obligations in Mortgagee Letter 2013-27 for Traditional and Refinance Transactions	Mandatory Obligations in Mortgagee Letter 2013-27 for Purchase Transactions	Mapping on Loan Set up screen in HERMIT
	<p>the mortgagee for any of the following items:</p> <ul style="list-style-type: none"> • recording fees and recording taxes, or other charges incident to the recordation of the insured mortgage; • credit report; • survey, if required by the mortgagee or the mortgagor; title examination; mortgagee’s title insurance; fees paid to an appraiser for the initial appraisal of the property 	<p>the mortgagee for any of the following items:</p> <ul style="list-style-type: none"> • recording fees and recording taxes, or other charges incident to the recordation of the insured mortgage; • credit report; • survey, if required by the mortgagee or the mortgagor; title examination; mortgagee’s title insurance; Fees paid to an appraiser for the initial appraisal of the property. 	
5	<p>Repair Administration Fee (Please note that the amount entered in this Repair Administration Fee field must also be included as part of the amount entered in the Repair Set Aside field. In calculating the amount available to the borrower, HERMIT deducts the Repair Set Aside field, but not this field, from the Net Principal Limit. Correct calculation of the amount available to the borrower requires that the Repair Administration Fee be included in both places.)</p>	N/A	Repair Admin Fee
6	<p>Delinquent Federal Debt that has not resulted in a lien against the property but must be brought current with HECM proceeds, e.g. student loans, IRS payment plans, etc.</p>	<p>Delinquent Federal Debt that has not resulted in a lien against the property but must be brought current with HECM proceeds, e.g., student loans, IRS payment plans, etc.</p>	Closing Costs

Item #	Mandatory Obligations in Mortgagee Letter 2013-27 for Traditional and Refinance Transactions	Mandatory Obligations in Mortgagee Letter 2013-27 for Purchase Transactions	Mapping on Loan Set up screen in HERMIT
7	Amounts required to discharge any existing liens on the property. Includes Federal, State, and local municipality liens.	N/A	Discharge of Liens
8	Customary fees and charges for warranties, inspections, surveys, engineer certifications.	Fees and charges for real estate purchase contracts, warranties, inspections, surveys, engineer certifications.	Closing Costs
9	Funds to pay contractors who performed repairs as a condition of closing, in accordance with standard FHA requirements for repairs required by appraiser.	N/A	Closing Costs
10	Repair Set-Asides	N/A	Repair Set Aside (This amount must include the Repair Admin Fee)
11	Property Tax, Flood, and Hazard Insurance payments required by the Mortgagee to be paid at closing.	Property Tax, Flood, and Hazard Insurance payments required by the Mortgagee to be paid at closing.	Closing Costs
12	T&I First Year payments	T&I First Year Payments	T&I First Year Payments (Received from CHUMS and non-editable in HERMIT)
13	N/A	The amount of the Principal that is advanced towards the purchase price of the subject property.	Closing Costs

Note: The 10% Usage amount has been removed and is no longer included in the sum of the fields that comprise the Total MO.