



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**November 26, 2014**

**Mortgagee Letter 2014-24**

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<b>To</b>	FHA-Approved Mortgagees
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<b>Subject</b>	Increasing Use of FHA's Claims Without Conveyance of Title (CWCOT) Procedures
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<b>Purpose</b>	The purpose of this Mortgagee Letter is to provide mortgagees <sup>1</sup> with instructions on accessing and utilizing the Commissioner's Adjusted Fair Market Value, which must be used for all foreclosure sales and Post-Foreclosure Sales Efforts <sup>2</sup> under the conditions set forth herein.
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<b>Effective Date</b>	This Mortgagee Letter is effective for all foreclosure sales – associated with defaulted FHA-insured mortgages – scheduled on or after February 1, 2015.
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<b>Affected Policy</b>	This Mortgagee Letter supersedes, where in conflict, HUD Handbook 4330.4.
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<b>Qualification Criteria for Use of CAFMV</b>	Unless otherwise required by statute or jurisdiction, mortgagees are to use the Commissioner's Adjusted Fair Market Value (CAFMV) for all foreclosure sales and Post-Foreclosure Sales Efforts associated with defaulted FHA-insured mortgages when all of the following criteria are met: A. The FHA mortgage insurance is still active for the FHA Case Number; B. The FHA-insured loan is not subject to indemnification. (Note: Items A and B may be verified by checking Neighborhood Watch); C. The mortgagee has worked with the mortgagor <sup>3</sup> to exhaust all applicable home retention loss mitigation options and has determined that the
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<sup>1</sup> FHA is permitting, but not requiring, the use of CAFMV by Small Servicers, defined in 12 CFR 1026.41(e)(4)(ii) as those servicers that either (a) service, together with any affiliates, 5,000 or fewer loans, for all of which the servicer (or an affiliate) is the creditor or assignee; or (b) is a Housing Finance Agency as defined in 24 CFR 266.5.

<sup>2</sup> Refer to the section of this Mortgagee Letter entitled "Post-Foreclosure Sales Efforts" for a description of such endeavors.

<sup>3</sup> If the mortgagor cannot be located and the property is vacant and abandoned by the mortgagor, this criterion is considered to have been met.

mortgagor's case does not meet the criteria for a Pre-Foreclosure Sale (PFS) or a Deed-in-Lieu (DIL). (*Mortgagees may not proceed with any foreclosure sale until this condition has been met*);

D. The property has no surchargeable damage (i.e. damage caused by fire, flood, earthquake, tornado, hurricane, boiler explosion, or mortgagee neglect);

E. If the mortgagee were to file a "conveyance" claim, the mortgagee's projected "conveyance" claim amount would be equal to or greater than the CAFMV.

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**Establishing the CAFMV for Foreclosure Sales and Post-Foreclosure Sales Efforts**

As delineated at 24 CFR §203.368, the CWCOT procedure requires mortgagees to bid the CAFMV at the foreclosure sale of a property securing an FHA-insured mortgage. The property's CAFMV is defined as its fair market value less adjustments as the Commissioner deems appropriate.

Unless otherwise directed by HUD, mortgagees must first obtain, and review for accuracy, an "as-is" FHA appraisal, which includes both an interior and exterior evaluation of the property. If the property is occupied and an interior appraisal cannot be obtained, an "exterior-only" appraisal may be used. The appraisal must be valid on the date of the foreclosure sale. Appraisals are valid for 120 days. If delays such as bankruptcy, court delays or delays outside of the mortgagee's control occur, the lender is granted an additional 30 day extension on the appraisal expiration date.

After the property's appraised value has been established, employees of a mortgagee authorized to access the CAFMV link in FHA Connection should visit <https://entp.hud.gov/clas/index.cfm> to determine a property's CAFMV. In determining a property's CAFMV, a "Competitive Sale" is when a mortgagee elects to use an independent third-party provider (e.g., an auction company) to conduct the foreclosure sale or in connection with any Post-Foreclosure Sales Efforts and the property is marketed for a minimum of 15 days. A "Non-Competitive Sale" is when a mortgagee elects not to use an independent third-party provider (e.g., an auction company) to conduct the foreclosure sale or in connection with any Post-Foreclosure Sales Efforts and/or the property is not marketed for a minimum of 15 days.

The independent third-party provider cannot be any one of the following:

- an affiliate or subsidiary of the mortgagee;
  - any entity over which the mortgagee has significant influence; or
  - any entity with which the mortgagee has a conflict of interest in fact or appearance.
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**Foreclosure Sale Bids in Excess of the CAFMV**

If a mortgagee's bid in excess of the CAFMV results in the mortgagee acquiring title to a property at a foreclosure sale, the mortgagee is deemed to have elected to retain title of said property and the mortgagee's FHA Claim for Insurance Benefits will be calculated in accordance with 24 CFR 203.401(b).

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**Option to Utilize Independent Third-Party Providers to Conduct Foreclosure Sales**

Where permitted by jurisdiction, mortgagees may utilize an independent third-party provider (e.g., an auction company) to conduct the foreclosure sale and market the property prior to such sale.

For successful third-party sales only, HUD will reimburse mortgagees for independent third-party service fees (e.g., auction service fees) they incur for an amount that does not exceed five percent (5%) of a property's net sales price.

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**Post-Foreclosure Sales Efforts**

In the event a property does not sell to a third party at the foreclosure sale, mortgagees may pursue additional sales efforts (and may utilize independent third-party providers to conduct such sales) prior to making a final decision to convey a property to the Department. A mortgagee's decision to pursue additional sales efforts, subsequent to the foreclosure sale, does not relieve the mortgagee of its responsibility to convey a property to HUD within the required timeframe stated in 24 CFR 203.359, unless a sales contract has been ratified. Where a sales contract has been ratified, the mortgagee will be granted an extension of the deadline for conveyance of 30 days. As such, the Department encourages mortgagees to pursue additional sales efforts concurrently with their pre-conveyance processes to ensure that, in the event conveyance is necessary, the mortgagee is able to fully comply with FHA's conveyance timeframe.

For successful third-party sales only, HUD will reimburse mortgagees for independent third-party service fees (e.g., auction service fees) they incur for an amount that does not exceed five percent (5%) of a property's net sales price. Closing costs of the sale are to be paid by the third party purchaser or the mortgagee.

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**CWCOT Claim Filing Instructions**

For detailed instructions on filing CWCOT claims, please see Attachment A which accompanies this Mortgagee Letter and is incorporated as a part thereof.

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**Manual Processing of CWCOT Claims**

For mortgagees meeting the definition of a small servicer that do not have Electronic Data Interchange (EDI) capability, but elect to bid the Commissioner's Adjusted Fair Market Value at the foreclosure sale when the qualification criteria (referenced herein) are met, FHA will reimburse its fee imposed for the manual processing of a CWCOT claim until electronic processing of CWCOT claims is available via FHA Connection or another HUD system. In filing their FHA Claim for Insurance Benefits, such mortgagees should add the manual processing fee (which is currently \$200) to Line 305 under Part D of Form HUD-27011.

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**Information Collection Requirements**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2502-0589, 2502-0429 and 2502-0189. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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**Questions**

Any questions regarding this Mortgagee Letter may be directed to HUD's National Servicing Center at (877) 622-8525 or email inquiries to [cwcot@hud.gov](mailto:cwcot@hud.gov). Persons with hearing or speech impairments may reach this number by calling the Federal Information Relay Service at (800) 877-8339. For additional information on this Mortgagee Letter, please visit [www.hud.gov/answers](http://www.hud.gov/answers).

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**Signature**

Biniam Gebre  
Acting Assistant Secretary for Housing-Federal Housing Commissioner

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**Attachment**

**Attachment A**  
**CWCOT Filing Instructions<sup>4</sup>**

**I. GENERAL**

Under the Claims Without Conveyance of Title (CWCOT) program, FHA pays insurance benefits to the Mortgagee, but the property is not conveyed to HUD (Section 204 of the National Housing Act, 12 USC 1710). In an effort to secure a third party purchaser for the property, the Mortgagee must bid the Commissioner's Adjusted Fair Market Value (CAFMV) at the foreclosure sale. If a third party is the successful bidder, a claim may be filed as provided in this guidance (24 CFR 203.368). If the Mortgagee, having bid CAFMV, is the successful bidder, the mortgagee may elect to retain the property or to convey the property to HUD. (See HUD Handbook 4330.4, Rev-1, Chapter 2)

The following procedure is to be used for all foreclosure sales and Post-Foreclosure Sales Efforts that meet the requirements of the CWCOT Mortgagee Letter (ML), "*Increasing Use of FHA's Claims Without Conveyance of Title (CWCOT) Procedures*". After weighing the significant anticipated costs and limited potential benefits, the Department has determined it is not in the best interest of FHA to routinely seek deficiency judgments in connection with CWCOT claims. Therefore, FHA is not requesting that mortgagees pursue any deficiency judgments in connection with CWCOT claims, unless FHA makes a special request pursuant to 24 CFR 203.369.

**II. COMMISSIONER'S ADJUSTED FAIR MARKET VALUE (CAFMV) DEFINITION**

The Commissioner's Adjusted Fair Market Value (CAFMV) is the estimate of the fair market value of the mortgaged property, less adjustments, which may include without limitation, HUD's estimate of holding costs and resale costs that would be incurred if title to the mortgaged property were conveyed to HUD. FHA is hereby providing mortgagees with instructions on accessing and utilizing the CAFMV, which must be used for all foreclosure sales and Post-Foreclosure Sales Efforts under the conditions set forth in the CWCOT ML. Specific CAFMV instructions can be found at <https://entp.hud.gov/clas/index.cfm>.

Unless otherwise required by statute or jurisdiction, the Mortgagee should not bid more than the CAFMV at the foreclosure sale. If it is determined that the Mortgagee bid an amount other than the CAFMV, the Mortgagee's claim will not be processed as a standard CWCOT, but will instead be processed as discussed in Paragraph IV below.

**III. POSTPONED SALES AND REINSTATEMENT**

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<sup>4</sup> These instructions clarify and supersede where in conflict those delineated in HUD Handbook 4330.4.

1. Postponed Sales. The appraisal and the CAFMV remain valid and in effect for 120 days from the date of the appraisal. During the period following the appraisal, the Mortgagee must immediately notify the NSC if becomes aware of any damage to the property, whether through a required inspection or otherwise. The NSC will provide the Mortgagee with additional instructions should damage occur. (Refer generally to paragraph VII. below regarding damaged properties.)

If the foreclosure sale does not take place within 120 days from the date of the appraisal, the Mortgagee must request an updated appraisal or order, except as noted in the section of this Mortgagee Letter entitled “Establishing the CAFMV for Foreclosure Sales and Post-Foreclosure Sales Efforts”, which allows a 30-day extension for the approved exceptions.

2. Reinstatement. If the mortgagor reinstates the mortgage after foreclosure has been instituted, and:
  - a. the appraisal has not yet been completed, the Mortgagee must contact the appraiser to cancel the appraisal.
  - b. an appraisal cost was validly incurred, the Mortgagee may request the mortgagor to reimburse the cost of the appraisal to the Mortgagee as part of the foreclosure expenses, as set out in 24 CFR 203.552(a)(9).

#### **IV. BIDDING AND ACQUISITION OF TITLE AT FORECLOSURE SALE**

At the foreclosure sale, either the Mortgagee or a third party will be the successful bidder. Notwithstanding the foreclosure sale, the mortgagor or a third party may exercise a legal right and redeem the property. The mortgagee must file a claim based on the factual circumstances of the sale as described below.

##### **A. THE MORTGAGEE IS THE SUCCESSFUL BIDDER**

1. If the Mortgagee is the Successful Bidder for an amount equal to the CAFMV, the Mortgagee may elect to either retain title to the property or convey the title to the property to HUD.
  - a. When the Mortgagee retains title, it must file its claim for insurance benefits as provided in this document, and HUD will not reimburse the Mortgagee for any of the following costs incurred:
    - i. Costs to maintain the property after the foreclosure sale,
    - ii. Eviction costs, or
    - iii. Costs to sell the property.

- b. When the Mortgagee conveys title of the property to HUD, the Mortgagee must file its claim for insurance benefits as a conveyance claim (see HUD Handbook 4330.4, Chapter 2).
2. Where the Mortgagee is the successful bidder for an amount in excess of the CAFMV (unless the sheriff, or other appropriate local authority, mandated the subject bid as the minimum bid that could be set for the subject property), the Mortgagee is prohibited by regulation from conveying title to the property to HUD. The amount of the bid will be deducted from the principal balance of the mortgage when the claim is calculated.

**B. IF A THIRD PARTY IS THE SUCCESSFUL BIDDER**

1. Where a third party is the successful bidder at the foreclosure sale for an amount equal to or greater than the CAFMV, the Mortgagee must submit its claim for insurance benefits as provided in this document.
  - a. When the claim is calculated, the proceeds of the sale shall be deducted from the outstanding principal balance of the mortgage, which was unpaid on the date of the foreclosure proceedings.
  - b. HUD will not reimburse the Mortgagee for eviction costs or expenses incurred to preserve and protect the property after the foreclosure sale.
2. Where a third party is the successful bidder at the foreclosure sale for an amount less than the CAFMV, the Mortgagee may not file a claim for any insurance benefits.

In the event of a third party purchase, HUD will not reimburse the Mortgagee for eviction costs or expenses incurred to preserve and protect the property after the sale.

**C. IF THE MORTGAGOR OR A THIRD PARTY REDEEMS THE PROPERTY**

Where the mortgagor or a third party redeems the property and acquires title for an amount not less than the CAFMV, the Mortgagee must submit any claim as provided in this document. The redemption amount will be deducted from the unpaid principal balance of the mortgage as of the date of the foreclosure sale when the claim is calculated.

**V. TIME REQUIREMENTS**

The Mortgagee must comply with the following time requirements when submitting a CWCOT claim. Failure to comply will result in curtailment of debenture interest to the date the action should have been taken or to the date to which it was extended by HUD.

1. Proceedings or other action to acquire the mortgaged property must be initiated within six months from the date of default (120 days if the property is vacant or abandoned) unless an extension of time is approved in writing.
2. Written notice must be provided to HUD that foreclosure has been instituted. The notice must be provided within 30 calendar days of the institution of foreclosure. Reporting status code 68 to HUD's Single Family Default Monitoring System (SFDMS) satisfies this requirement. For delays in reporting status code 68 to SFDMS within the required timeframe, enter a mortgagee reported curtailment date to Part A, block 31.
3. Exercise reasonable diligence in prosecuting the foreclosure proceedings to completion. Delays in getting an appraisal completed do not require an extension request in EVARS. Document the claim with details of the appraisal delay.
4. File the claim within 30 days of:
  - a. The date the Mortgagee acquired good marketable title; or
  - b. The date another (third) party acquired good marketable title; or
  - c. The date the mortgagor or other party redeemed the property; or
  - d. The date the redemption period expires; or
  - e. Whatever date the Commissioner requires (24 CFR 203.368(i)(5)(iv)).
5. HUD should receive the electronic claim within two days from the date the form was prepared for filing, as noted in Item 4, above. The claim is not considered to have been received unless all required information has been provided.

## **VI. EXTENSION OF TIME REQUIREMENTS**

If the Mortgagee cannot comply with the above time requirements for Items V.4.a. through e. because of circumstances beyond its control, it should submit a request for an extension of time to the NSC. The request must be made as soon as possible and before the time limit for that action expires. (See HUD Handbook 4330.4, Rev-1, CHG, FHA Single Family Insurance Claims, Paragraph 1-6, Extension of Time Requirements.)

## **VII. DAMAGED PROPERTY**

Mortgagees should not request a CAFMV and a CWCOT claim cannot be filed if the property has sustained surchargeable damage before the foreclosure sale is held. In such cases, the Mortgagee shall follow conveyance procedures.

## **VIII. HAZARD INSURANCE**

HUD will not reimburse the Mortgagee for any hazard insurance premiums allocated to the period after acquisition of title by the Mortgagee or a third party.



**IX. TITLE REQUIREMENT**

Since the property will not be conveyed to the Secretary, title evidence procedures are not applicable. However, if a CWCOT program property fails to sell to a third party and will be conveyed to HUD, a copy of the appraisal used to determine CAFMV must be uploaded into the P260 system. This should be included with the original title package.

**X. SPECIAL FORBEARANCE**

If a claim for insurance benefits is filed pursuant to a default under a special forbearance agreement entered into between the Mortgagee and the mortgagor, the mortgagee may claim unpaid mortgage interest in accordance with the requirements described in HUD Handbook 4330.4, REV-01, paragraph 2-20, Special Forbearance.

**XI. CLAIM PAYMENT**

All claims for insurance benefits eligible to be paid in cash will be settled in that manner. HUD will promptly pay in one lump sum, 100 percent of the unpaid principal balance, less the sale bid or redemption price, plus allowable costs and debenture interest, upon receipt of Parts A and B of the claim, provided the claim has been properly completed, meets time requirements, and does not contain exceptional costs.

**XII. DEBENTURE INTEREST ALLOWANCE**

The issue date of debentures, or the beginning date for computation of the debenture interest allowance if settlement of the claim is made in cash, will be the date of default as such term is defined in 24 CFR 203.331, provided the insurance settlement does not include unpaid mortgage interest resulting from a default under a special forbearance agreement.

When the claim is settled in cash, the cash payment will include an amount equivalent to the interest the debentures would earn, if they were issued, at the debenture rate as described in 24 CFR 203.405. Debenture interest will be paid on the unpaid principal balance from the date of default to the date the Mortgagee or third party bidder obtains title or the date the mortgagor redeems the property.

Interest will continue to accrue on the difference between the unpaid principal balance and the greater of either the CAFMV, redemption amount or the third party bid, to the date of final payment of the claim.

Further debenture interest is paid on expenses from the date of expenditure to the date of final payment of the claim.

If the Mortgagee fails to take actions as set forth under paragraph VI. "Extension of Time Requirements" within the time specified, or at such further time as may be

approved by HUD in writing, the interest allowance shall be computed only to the date the particular action should have been taken or to which it was extended.

### **XIII. DOCUMENTS TO BE SUBMITTED**

It is very important that all required documentation be forwarded to the appropriate locations in a timely manner. Failure to meet any of the documentation requirements could jeopardize all or part of the claim reimbursement. The various documentation requirements imposed by HUD are designed to provide critical control and notification functions which enable HUD to expedite the payment of a claim. All documents must be submitted within 30 days of the date (1) the Mortgagee or a third party acquires title to the property, or (2) the date the property is redeemed, or (3) the date the redemption period expires.

The following documents must be maintained in the servicer's claim file and uploaded to P260:

- HUD 27011 (parts A-E)
- HUD-1 on post foreclosure sales
- Appraisal
- Appraisal invoice(s)
- Worksheet reflecting the mortgagee's application of the CAFMV based on the adjustment provided in the instructions on FHA Connection
- Third Party Service Fee invoice (e.g., auction service)

**HUD HEADQUARTERS:** The electronic claim (form HUD-27011, Parts A and B) should be received within two days of the date the form was prepared.

### **XIV. CLAIM PREPARATION - CLAIMS WITHOUT CONVEYANCE OF TITLE (CWCOT)**

The claim must be completed as described below using form HUD-27011, Single Family Application for Insurance Benefits. To avoid delay in payment, the claim must be complete and accurate and contain all information requested. For the purposes of this demonstration, the Department recommends the electronic submission of all CWCOT claims through Electronic Data Interchange (EDI). The Department will assess the customary \$100 paper processing fee per claim part (\$100 each for Parts A and B) on all paper CWCOT claim packages. At this time, the FHA Connection Claims Input function does not support claim type 06, CWCOT. Please note the small servicer exemption from the paper claim processing fee described in this Mortgagee Letter.

In many instances, the instructions provided in HUD Handbook 4330.4, REV-01, FHA Single Family Insurance Claims, Chapter 2, Conveyances, apply equally in CWCOT cases. When this occurs, the legend "Same as Conveyance" appears after the Item Title and the conveyance instructions for that item are repeated verbatim for convenience.

## **PART A - INITIAL APPLICATION**

**Item 1** Claim Type. Place an "X" in the space for Claim Type 06 = CWCOT.

**Items 2 & 3** FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA Case Number and the appropriate Section of the National Housing Act ADP code. Include the hyphen in the FHA Case Number.

**Item 4** Default Reason Code. (Same as Conveyance). Enter the applicable code number from the default reasons provided in Appendix 2 of Mortgagee Letter 2009-39. If Code 015 is used, explain the reason under "Mortgagee Comments".

**Item 5** Endorsement Date. Enter the endorsement date that appears on the Mortgage Insurance Certificate.

**Item 6** Date Form Prepared. Enter the date this form is completed and submitted to HUD.

**Item 7** Due Date of First Payment to Principal and Interest (Same as Conveyance). Enter the date the first payment to Principal and Interest is due. Obtain this date from the mortgage note. Note that the date in this item will always be the first of the month.

**Item 8** Due Date of Last Complete Installment Paid (Same as Conveyance). Enter the date the last complete installment paid was due, not the date it was paid. This item should be taken from the payment ledger. If no payments have been made, enter the date in Item 7 (Due Date of the First Payment to Principal and Interest). Note that the date in this item will always be the first of the month.

**Item 9** Date of Possession and Acquisition of Marketable Title. Enter the date the mortgagee or third party obtains title to the property or the date the property is redeemed.

**Item 10** Date Deed or Assignment Filed for Record or Date of Closing or Appraisal. **Not applicable.**

**Item 11** Date Foreclosure Proceedings (a) Instituted or (b) Date of Deed In Lieu. Check the appropriate box and enter the date of the first public action taken which was required by law to initiate foreclosure (e.g., filing a complaint or petition, recording a notice of default, or publication of a notice of sale). If the foreclosure action was nullified under state law by the filing of a bankruptcy petition, enter the date on which the foreclosure action was re-instituted.

**Item 12** Holding Mortgagee Number (Payee) (Same as Conveyance). Enter the complete 10-digit mortgagee number of the holding mortgagee.

**NOTE:** The identification number must agree with the mortgagee number of the holder contained in HUD's Single Family Insurance System (SFIS), the mortgagee

must take corrective action to resolve the discrepancy in HUD's records. Additionally, this number determines the payee's name, bank account and routing information for disbursement of the claim proceeds.

**Item 13** Servicing Mortgagee Number (Same as Conveyance). Enter the complete 10-digit mortgagee number of the servicing mortgagee.

**NOTE:** The identification number must agree with the mortgagee number of the servicer contained in SFIS. If the number is different, the mortgagee must take corrective action to resolve the discrepancy in HUD's records. Additionally, this number determines the name and address to which all computer generated letters and claim payment data are mailed. Information will be mailed only to the holding mortgagee if this item is not completed.

**Item 14** Mortgagee Reference Number (Same as Conveyance). Enter the loan number (maximum 15 digits) used by the mortgagee for identifying the case, if any. This number will be included on the payment addendum for identification purposes.

**Item 15** Mortgage Amount (a) Original or (b) Modified (Same as Conveyance). Enter the original mortgage amount. This figure should be taken from the mortgage note. If there has been a modification of the mortgage, make a notation of the modification on the Part A under "Mortgagee's Comments" and make reference to 24 CFR 203.342.

**Item 16** Holding Mortgagee EIN. Not applicable.

**Item 17** Unpaid Loan Balance as of Date in Item 8 (Same as Conveyance). Enter the unpaid mortgage balance after crediting the last complete monthly installment paid. This figure is taken from the mortgagee's payment ledger. **Report partial payments insufficient to complete a full monthly installment in Part B, item 109, as escrow funds.**

**Item 18** Date of Firm Commitment (Same as Conveyance). Enter the date of the firm commitment. This date should be taken from the firm commitment document, if available. The debenture interest rate is determined by the firm commitment date or the date of endorsement, whichever yields the higher rate. If the case was insured under the Direct Endorsement Program or the commitment date is not available, this item must be left blank. Direct endorsement mortgages may be identified by the suffix code 700 through 799. **Do not enter a date here if this is a direct endorsement; doing so could result in an incorrect debenture interest rate being used to calculate payment.**

**Item 19** Expiration Date of Extension to Foreclose/Assign (Same as Conveyance). If a request for an extension of time is requested by the mortgagee and granted by HUD or its agent, enter the expiration date of that extension. All approved extensions must be in writing. All extensions of time to initiate foreclosure, including "automatic" extensions described below due to bankruptcy or loss mitigation must be properly identified in this block. Enter the latest extension expiration date, if multiple extensions are involved.

If bankruptcy is involved or state or local laws delay action, the mortgagee is entitled to an automatic 90-day extension of time to initiate foreclosure. To ensure that HUD's claim system is notified about this extension of time, enter the date that is 90 days after the date of the release of bankruptcy, unless an additional extension period is approved by HUD or its agent. The latest extension date must always be entered. This provisional extension provided by 24 CFR 203.355, is applicable only when the bankruptcy (or local/state laws) precluded initiation of foreclosure within the required timeframe.

As noted in Mortgage Letter 2000-05, Loss Mitigation Program – Comprehensive Clarification of Policy and Notice of Procedural Changes, a mortgagee may be eligible for an automatic extension to initiate foreclosure under the provisions related to loss mitigation evaluation noted in Section L. Automatic Extensions and Section M. Option Failure

**Item 20** Date of Notice/Extension to Convey. **Not applicable.**

**Item 21** Date of Release of Bankruptcy, if applicable (Same as Conveyance). Enter the date the bankruptcy stay or the local law prohibition was released. Note: When there is more than one bankruptcy, and the mortgagee is entitled to a 90-day extension to begin foreclosure, enter the release date which applies to the extension.

**Item 22** Is Property Vacant? Yes or No. Check one.

**Item 23** If Item 22 is "No," Date of HUD Approval. **Not applicable.**

**Item 24** Is Property Conveyed Damaged? (You must identify Yes or No). If the damage falls into the categories listed in 24 CFR 293.378 or 203.379, (surchargeable damage), a CWCOT claim may not be filed.

**Item 25** If Item 24 is "Yes," Date of (a) HUD Approval (Pursuant to 203.379(a)) or (b) Certification (pursuant to 203.379(b)). **Not applicable.**

**Item 26** Type of Damage. **Not applicable.**

**Item 27** Recovery or Estimate of Damage. **Not applicable.**

**Item 28** Is Mortgagee Successful Bidder? Yes or No. This question must be answered. If the property was redeemed, answer "No."

**Item 29** Deficiency Judgment Code. Enter code 4.

**Item 30** Authorized Bid Amount. Enter the amount of the CAFMV, as calculated per instructions in this document. . This is the CAFMV amount, not the actual appraisal amount.

**Item 31** Mortgagee Reported Curtailment Date (Same as Conveyance). If the mortgagee failed to comply with a time requirement for any of the following circumstances: a)

reasonable diligence, b) notice of foreclosure, or c) failure to initiate foreclosure within six months of default and subsequent payments advance the default date, enter the date the action should have been taken. If there was more than one failure, enter the earliest date on which a required action should have been taken.

**Item 32** Schedule of Tax Information. **Not applicable.**

**Item 33** Mortgagor's Name, Social Security Number and Property Address (Same as Conveyance). Enter the name of the mortgagor in default as it appears on the ledger record. Enter the property address as it appears on the security instrument or the MIC.

Enter the social security numbers of all Mortgagors, if known. At least one social security number is required.

**Item 34** Brief Legal Description of Property. Enter a brief description of the property.

**Item 35** Name and Address of Mortgagee (Same as Conveyance). Enter the name and address of the Mortgagee, including the ZIP code.

**Item 36** Name and Address of Mortgagee's Servicer (Same as Conveyance). Enter the name and address of the mortgagee's servicer, including the ZIP code, if applicable. Include the name and telephone number of a contact person who can answer questions about the claims.

**Items 37 & 38. Not applicable for claims filed electronically. Keep in mind that claims submitted electronically (electronic data interchange or the FHA Connection) constitute certification that the statements and information contained therein are true and correct.**

**Item 39** Amount of Monthly Payment to: (a) FHA insurance, (b) Taxes, (c) Hazard Insurance; and (d) Interest and Principal. **Not applicable.**

**Item 40** If Bankruptcy Filed, Enter Date. Enter the date of the last bankruptcy filing related to the release date shown in Item 21. **This is required if Item 21 is completed.**

**Item 41** If Conveyed/Assigned Damaged, Date Damage Occurred. **Not applicable.**

**Item 42** Date HIP Cancelled or Refused, if Applicable. **Not applicable.**

**Item 43** Number of Living Units. **Not applicable.**

**Item 44** Status of Living Units. **Not applicable.**

**Other: Mortgagee's Comments**, if any. Use this area to justify unusual circumstances as well as to provide other information required by the instructions.

HUD's Comments, if any. HUD USE ONLY.

**Instructions for the Completion of form HUD-27011, Part B, Fiscal Data.** Use the following item-by-item instructions when completing form HUD-27011, Part B, for claims without conveyance of title. Prepare this Part after Parts C, D and E have been completed. The information entered in this Part is transferred from Parts C, D and E.

**Item 100** Mortgagor's Name and Property Address (Same as Conveyance). Enter the mortgagor's name and property address as they appear in Item 33 of Part A.

**Items 101 & 102** FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA Case Number and Section of the Act Code as they appear in Items 2 and 3 of form HUD-27011, Part A.

**Item 103** Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's Reference Number as it appears in Item 14 of Part A.

**Item 104** Date Form Prepared (Same as Conveyance). Enter the date Part B is prepared and submitted to HUD.

**Item 105** Expiration Date to Submit Title Evidence, if Applicable. **Not applicable.**

**Item 106** Check if Supplemental. Check this box only if you have received final payment of your claim. See Chapter 7 of Handbook 4330.4 REV-1

**Item 107** Adjusted Loan Balance (if different from block 17 on Part A). **Not applicable.**

**Item 108** Sale/Bid Price or Appraisal Value ( for CWCOT only) Enter the **greater** of the Commissioner's Adjusted Fair Market Value (CAFMV), the foreclosure sale price or the redemption price. The term "foreclosure sale price" shall mean the actual amount bid at the foreclosure sale where the property was sold (the "winning" bid – whether from a third party or a servicer). The amount of the proceeds from the foreclosure sale actually distributed to the mortgagee should not be used. Similarly, the redemption price shall mean the redemption price figure, not the amount of redemption proceeds actually received by the mortgagee. If fees (e.g. auction service fees, administration fees, etc.) are netted from the sale, be sure to include these fees in Item 305 and put the full winning bid amount in Item 108. Do not put the net proceeds amount in Item 108 as this may cause an error on the claim.

**Item 109** Escrow Balance (as of Date in Block 9, Part A). Enter amount remaining in escrow account as of the date the mortgagee or third party obtains title to the property or the date the property is redeemed. Also include any funds received on account of the mortgage which have not been applied to reduce the indebtedness, e.g., partial payments, hazard insurance refunds, buy-down monies, funds held in escrow for on-site repairs (pursuant to form HUD-92300, Assurance of Completion Agreement). ***Do not send escrow funds to HUD.***

- See Item 123 for unapplied Section 235 assistance payments.

- Payment of expenses for which funds are escrowed shall be charged to the escrow account in full or in part until the escrow account balance equals zero. Do not record expenses paid from available escrow funds on Part D.
- **DO NOT ENTER A NEGATIVE BALANCE** Advances by the mortgagee for expense payments normally charged to the escrow account shall be recorded under Part D, Item 305 or 311, as appropriate. When the first occurrence of an expense results in a negative balance to escrow, enter the negative amount in Item 305 or 311, whichever is appropriate. Interest on advances shall be computed from the date of disbursement to the date the claim is mailed. If there were any advances from escrow prior to the date of default, interest is calculated from the date of default.

Illustration of Mortgagee Advances:

<b>Date Due</b>	<b>Date Paid</b>	<b>Escrow</b>	<b>Escrow Balance</b>
	Balance Forward		\$151.60
1/1/2005	2/3/2005	\$ 70.69	\$222.29
	8/3/2005	\$(198.98)	\$ 23.31
	12/11/2005	\$( 51.19)	\$(27.88)

**Item 110** Total Disbursements for Protection and Preservation from Line 264, Part C (Same as Conveyance). Enter the total amount of disbursements and debenture interest appearing in Part C, Item 264. Note in “Mortgagee’s Comments” section any authorization obtained from the local HUD office for approvals to exceed allowable amounts.

**Item 111** Total Disbursements from item 305, Part D (Same as Conveyance). Enter the total amount paid and debenture interest appearing in Part D, Item 305.

**Item 112** Attorney/Trustee Fees Paid From Line 306, Part D. Enter the total amount paid and debenture interest appearing in Part D, Item 306. **HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST.**

**Item 113** Foreclosure, Acquisition, Conveyance and Other Costs from Line 307, Part D (Same as Conveyance). Enter the total amount paid and debenture interest appearing in Part D, Item 307. **HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST.**

**Item 114** Bankruptcy Fee (if applicable) from Line 310, Part D (Same as Conveyance). Enter the amount of bankruptcy fees paid and debenture interest appearing in Part D, Item 310. **HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST.**

**Item 115** Rental Income. Enter any income from the rent of the property between the date foreclosure proceedings were instituted (or property otherwise acquired) and the date in Item 9.



**Item 116** Rental Expense (Same as Conveyance). Enter rental expenses incurred, if any. If there is no entry in Item 115, make no entry in this item.

**Item 117** Total Taxes on Deed from Line 308, Part D (Same as Conveyance). Enter the total amount paid and the debenture interest shown in Item 308, Part D.

**Item 118** Recovery or Damage (if not reported on Part A). Use Line 119 if Reported on Part A. **Not applicable.**

**Item 119** Estimate or Recovery from Part A. **Not applicable.**

**Item 120** Special Assessments (DO NOT USE FOR COINSURANCE) from Line 309, Part D (Same as Conveyance). Enter the total amount paid and debenture interest which appear in Item 309, Part D.

**Item 121** Mortgage Note Interest. Mortgage note interest will be included in the insurance benefits if a mortgagor fails to meet the requirements of a special forbearance agreement and the failure continues for at least 60 calendar days. Follow this guidance:

**From.** Enter the date of the last completely paid installment after all funds received under the agreement are applied according to the terms of the mortgage (Item 8, Part A). If no mortgage payments were made, enter a date 30 days prior to the due date of the first scheduled payment (Item 7, Part A).

**To.** Enter the earliest of the following dates:

1. The date of institution of foreclosure proceedings;
2. The date the successful bidder obtains title;
3. 90 calendar days following the date the mortgagor fails to meet the requirement of the forbearance agreement; or
4. Such other date as the local HUD office may approve in writing prior to expiration of the 90 calendar day period (24 CFR 203.402 Section (a)).

**Rate.** Enter the mortgage interest rate as it appears on the mortgage note. Show fractions in decimals to three places.

Compute the amount of mortgage interest due and enter in Column C.

**Item 122** Mortgage Insurance Premiums (Same as Conveyance). Enter total from item 311, Part D.

**Item 123** Unapplied Section 235 Assistance Payments (Same as Conveyance). Enter unapplied assistance payments in Column A, if applicable.

**Item 124** Overpaid Section 235 Assistance Payments (Same as Conveyance). Enter the amount of any funds advanced by the mortgagee to repay to HUD any assistance to which the mortgagor was not entitled and which was not recovered from the mortgagor, unless the overpayment was the result of an error on the part of the mortgagee. Amount is to be entered in Column B. Do not calculate debenture interest for Column C.

**Items 125 thru 129** **Not applicable.** Any amounts appearing on these lines will be disallowed.

**Item 130** Appraisal Fee. Enter total from line 409, part E, if applicable. Interest may be added in Column C.

**Item 131** Deficiency Judgment Costs/Fees. **Not applicable.** For the purposes of this demonstration, the Department is NOT requesting the participating lenders to pursue any deficiency judgments.

**Item 132** Reserved.

**Item 133** Contact: Holding Mortgagee, Name and Telephone Number, or Contact: Servicing Mortgagee, Name and Telephone Number (Same as Conveyance). Enter the name and telephone number of a person in the holding or servicing mortgagee's office who can answer questions concerning the information reported on this claim form. Include the Holding Mortgagee number which you entered in Item 12 of Part A.

**Items 134 to 136** Enter the totals of Columns A, Deductions; B, Additions; and C, Interest.

**Item 137** Net Claim Amount (Columns A - B + C). The amount HUD actually pays will differ from what the mortgagee enters here because of possible interest curtailments, disallowed expenses, HUD's calculation of two-thirds or seventy-five percent allowances on attorney/trustee fees, foreclosure costs and bankruptcy fees, and additional debenture interest calculated by HUD to the date of claim settlement.

**Items 138 & 139** Mortgagee's Official Signature, Date and Title (signature not necessary if signed by a servicer) or Servicer Signature, Date, and Title. See instructions for Part A, Items 37 and 38.

**Instructions for the Completion of Form HUD-27011, Part C, Support Document.** Use the following item-by-item instructions when completing form HUD-27011, Part C, for claims without conveyance of title. Itemize each expense listed for reimbursement and provide sufficient information for computation of debenture interest.

Expenditures may be entered on Part C as they occur; however, debenture interest calculations should not be made until the date of claim submission. This is because interest allowance will be computed from the date of expenditure to the date noted in item 104, Part B, when it is prepared and submitted unless interest is curtailed.

In the event of a third party purchase, HUD will not reimburse the Mortgagee for eviction costs or expenses incurred to preserve and protect the property after the sale. This does not preclude reimbursement for expenses incurred or work completed before the foreclosure sale but not paid until after the sale.

**Item 200** Mortgagor's Name and Property Address (Same as Conveyance). Enter the mortgagor's name and property address as they appear in Item 33 of Part A.

**Items 201 & 202** FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

**Item 203** Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

**Item 204** Date (Same as Conveyance). Enter the date entered in Part B, Item 104, if all actions taken by the mortgagee are within the time requirements or the automatic extensions specified in HUD Handbook, 4330.4, FHA Single Family Insurance Claims, Paragraph 2-13 or within the extended time requirements (See Paragraph 1-3). If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or an approved extension, enter the date the action should have been taken.

Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which a required action should have been taken.

**Item 205** Debenture Interest Rate (Same as Conveyance). For claims on cases that were endorsed on or before January 23, 2004, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate. For a Direct Endorsement case, enter the rate in effect on the date of endorsement. Use the debenture interest rate table located at <http://www.hud.gov/offices/hsg/comp/debnrate.cfm>.

For a case that was endorsed on or after January 24, 2004, the debenture interest rate for purposes of calculating a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years. The yields can be found at <http://www.federalreserve.gov/releases/h15/data.htm>.

**Item 206 thru 261** Disbursements for Preservation and Protection (Same as Conveyance). Refer to Mortgagee Letter 2010-18, Update of Property and Preservation (P&P) Requirements and Cost Reimbursement Procedures, effective July 13, 2010. Enter all inspection, preservation and protection expenses. This includes debris removal, replacing broken glass, protecting plumbing and other operating systems against damage by freezing, care of lawns and shrubs, repair of leaking roof, etc. Describe the service performed, the date it was completed and the date paid.

Enter expenses paid to board up the property in accordance with Mortgagee Letter 2010-18, or if prior approval was obtained for an overallowable expense.

Enter the date of each inspection and indicate whether it is an Initial, Occupancy or Vacancy inspection. A copy of an inspection report must be maintained by the Mortgagee for each inspection itemized.

Follow this guidance for items in Part C:

***Date Paid.*** A separate entry must be made for each payment. Enter the date the check was disbursed. If an expenditure or advancement was made prior to the date of default, enter the date of default and enter the actual date paid in parentheses following the description.

***Date Work Completed.*** If date is not available on the invoice, obtain this date from vendor or contractor. This is the actual date the work was completed and is not necessarily the date of billing.

***Description of Service Performed.*** Enter a description of the items or types of repairs and services performed, i.e., inspections. Additional space is provided on reverse of form.

***Amount Paid.*** Enter actual payment amounts. Transfer the sum of these amounts to Part B, Fiscal Data.

***Debenture Interest.*** To obtain the amount of interest due on an expenditure, multiply the daily interest rate factor by the amount paid. Multiply this result by the number of days from the date paid for each line item to the date in Item 204 (Part B, Date form prepared). Daily Interest Rate Factor tables are provided in Appendix 8 of HUD Handbook 4330.4, [FHA Single Family Insurance Claims](#), to assist in converting the debenture interest rates. In addition, Julian date calendars are provided in Appendix 9 of the same Handbook to assist in determining the number of days from the date the expenditure was paid to the date of submission of the claim or the curtailment date.

**Item 262** Subtotals (Same as Conveyance). If reverse side of form is used to list protection and preservation costs, total the amount paid and debenture interest columns.

**Item 263** Subtotals Brought Forward (Same as Conveyance). If reverse side of form is used, bring subtotals appearing in Item 262 to this line.

**Item 264** Totals (Same as Conveyance). Total the "amount paid" and "debenture interest" columns. Enter the totals on Part B, Item 110, Column C when completing Part B, Fiscal Data.

**Item 265 & 266** Contact: Holding Mortgagee, Name and Telephone Number; or Contact: Servicing Mortgagee, Name and Telephone Number (Same as Conveyance). Enter the name and telephone number of a person in the holding or servicing mortgagee's office who can answer questions concerning the information reported on this claim form. Include the Holding Mortgagee number that was entered in Item 12 of Part A.

**Item 267 & 268** Mortgagee Official Signature, Date and Title (not necessary if signed by servicer) or Servicer Signature, Date and Title (Same as Conveyance). A signature must appear in at least one of these blocks; however, it is acceptable if both the mortgagee and the servicer wish to sign this form.

*Mortgagee's Comments, If Any.* Use this area to justify extremely large expenditures, as well as other information required by these instructions.

*HUD's Comments, If Any.* For HUD's use only.

**Instructions for the Completion of form HUD-27011, Part D, Support Document (Continuation 1).**

Expenditures may be entered on Part D as they occur, however, debenture interest calculations should not be made until the date of claim submission. This is because interest allowance will be computed from the date of expenditure to the date noted in Item 104, Part B, when it is prepared and submitted unless interest is curtailed. Follow this guidance for the Part D:

***Date Paid.*** A separate entry must be made for each payment. Enter the date the check was disbursed. If an expenditure or advancement was made prior to the date of default, enter the date of default and enter the actual date paid in parentheses following the description.

***Description of Service Performed.*** Enter a description of the items or types of services performed. Additional space is provided on reverse of form.

***Amount Paid.*** Actual payment amounts are to be entered. This information will be transferred to Part B, Fiscal data.

***Debenture Interest.*** To obtain the amount of interest due on an expenditure, multiply the daily interest rate factor by the amount paid. Multiply this result by the number of days from the date paid for each line item to the date in Item 204 (Part B, Date form prepared). Daily Interest Rate Factor tables are provided in Appendix 8 of HUD Handbook 4330.4, FHA Single Family Insurance Claims, to assist in converting the debenture interest rates. In addition, Julian date calendars are provided in Appendix 9 of the same Handbook to assist in determining the number of days from the date the expenditure was paid to the date of submission of the claim or the curtailment date.

Total the "amount paid" and "debenture interest" columns.

**Items 300 & 301** FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

**Item 302** Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

**Item 303** Debenture Interest Rate (Same as Conveyance). For claims on cases that were endorsed on or before January 23, 2004, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate. For a Direct Endorsement case, enter the rate in effect on the date of endorsement. Use the debenture interest rate table located at <http://www.hud.gov/offices/hsg/comp/debtrate.cfm>.

For a case that was endorsed on or after January 24, 2004, the debenture interest rate for purposes of calculating a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years. The yields can be found at <http://www.federalreserve.gov/releases/h15/data.htm>.

**Item 304** Date (Same as Conveyance). Enter the date entered in Part B Item 104 if all actions taken by the mortgagee are within the time requirements or the automatic extensions specified in Paragraph 2-13 or within the extended time requirements (See Paragraph 1-3). If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which a required action should have been taken.

**Item 305** Disbursements for HIP, Taxes, Ground Rents and Water Rates (which were liens prior to mortgage), Eviction Costs and Other Disbursements Not Shown Elsewhere. (Do not include any penalties for late payment). Itemize all disbursements in these categories. Do not include disbursements which were paid from available escrow funds. No expense should be incurred after the date the third party obtains title to the property (Item 9) unless HUD instructs you to take an action. See explanation for escrow account, Part B, Item 109. If an auction service was used in the CWCOT process and they charged a fee, include the fee in this item. Also, if a fee was deducted from sales proceeds for the sale by an entity such as a county, include that fee in this item, as well.

**Item 306** Attorney/Trustee Fee. Itemize the fees paid to attorneys and trustees in connection with foreclosure or acquisition of title and conveyance of the property to the successful bidder. Do not enter fees for bankruptcy or eviction in this item. If the fee for acquisition and conveyance is within the amount HUD approved for the area, do not itemize the elements of the fee. If attorney fees exceed those approved by HUD for routine foreclosures see paragraph 1-10 HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST. (24 CFR 203.402).

**Item 307** Foreclosure and/or Acquisition, Conveyance and Other Costs. Enter all disbursements required to vest title to the property in the name of the successful bidder except taxes paid on deeds included in Item 308 and disbursements shown in Item 306. These costs must be itemized, e.g., title policy, resale title binders, title search fees (if separate costs), publication, service of process, etc. If additional space is needed, attach a

separate sheet to Part D. HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST. (24 CFR 203.402).

**NOTE:** Do not include deed taxes in this item.

**Item 308** Taxes on Deed. Enter amounts paid for taxes imposed upon any deeds or other instruments by which the property was acquired by the successful bidder.

**NOTE:** Do not include deed taxes in Item 307.

**Item 309** Special Assessments (Do not use for Coinsurance, see Part E) (Same as Conveyance). For each item in this category, enter the date the lien was attached or would be attached. Do not include any special assessments which became liens before the mortgage was endorsed for insurance, if not noted in the application for insurance.

**Item 310** Bankruptcy (Same as Conveyance). Itemize the bankruptcy fees paid. There must be an entry in Item 40. If bankruptcy fees exceed those approved by HUD for routine bankruptcies see paragraph 1-10. HUD WILL CALCULATE THE TWO-THIRDS OR SEVENTY-FIVE PERCENT ALLOWANCE FOR BOTH EXPENSES AND INTEREST. (24 CFR 203.402).

**Item 311** Mortgage Insurance Premiums (Same as Conveyance). Itemize all MIP disbursements, including the period covered. Only include the "advanced" MIP disbursements paid after the due date of the last completely paid installment to the date the mortgagee or third party obtains title to the property or the date the property is redeemed.

**Instructions for the Completion of form HUD-27011, Part E Support Document (Continuation 2).** The following item-by-item instructions are to be used when completing form HUD-27011, Part E, for claims without conveyance of title.

**Items 400 & 401** FHA Case Number and Section of Act Code (Same as Conveyance). Enter the FHA case number and Section of the Act Code as they appear in Items 2 and 3 of Part A.

**Item 402** Mortgagee's Reference Number (Same as Conveyance). Enter the mortgagee's reference number as it appears in Item 14 of Part A.

**Item 403** Debenture Interest Rate (Same as Conveyance). For claims on cases that were endorsed on or before January 23, 2004, determine the rate at the date of firm commitment and the rate at the date of endorsement, then enter the higher rate. For a Direct Endorsement case, enter the rate in effect on the date of endorsement. Use the debenture interest rate table located at <http://www.hud.gov/offices/hsg/comp/debtrate.cfm>.

For a case that was endorsed on or after January 24, 2004, the debenture interest rate for purposes of calculating interest on a claim shall be the monthly average yield, for the month

in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of 10 years. The yields can be found at <http://www.federalreserve.gov/releases/h15/data.htm>.

**Item 404** Date (Same as Conveyance). Enter the date entered in Part B, Item 104, if all actions taken by the mortgagee are within the time requirements or the automatic extensions. If the mortgagee failed to comply with a time requirement (including actions reported in Part A) or its approved extension, enter the date the action should have been taken. Debenture interest will be computed to this date. If there was more than one failure, enter the earliest date on which a required action should have been taken.

**Items 405** Overhead Costs. **Not applicable.**

**Item 406** Amounts Due from Buyer at Closing. **Not applicable.**

**Item 407** Amounts Owed to Buyer at Closing. **Not applicable.**

**Item 408** Additional Closing Costs at Settlement. **Not applicable.**

**Item 409** Appraisal Fee. Enter the amount of the appraisal fee and date paid. If debenture interest is payable, enter the amount of interest in Part B, Line 130, Column C. Servicers must use FHA approved appraisers. The amount of the appraisal will be fully reimbursed whether a CWCOT claim or a conveyance claim is filed.

**Item 410** Deficiency Judgment Costs/Fees. **Not Applicable**

**Items 411 & 412** Reserved.