
CHAPTER 3: ASSIGNED HOME MORTGAGES

3-1 GENERAL.

A mortgagee shall be entitled to receive insurance benefits upon assignment of a defaulted mortgage to the Secretary if HUD agrees to accept the assignment (Section 230 of the National Housing Act, 12 USC 1715, 24 CFR 203.650 through 203.660, 203.664 and 203.665). HUD will also accept an assignment if the Secretary previously sold the mortgage or the property and the mortgagee is unable to complete foreclosure because of a defect in the mortgagee instrument, a defect in the mortgage transaction, or a defect in title which existed prior to the time the mortgage assignment was filed for record (24 CFR 203.390). The procedures in this chapter will be followed for filing both of these types of assignment claims.

3-2 TIME REQUIREMENTS.

The mortgagee must comply with the following time requirements when submitting a claim involving an assigned mortgage which is in default. 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 (24 CFR 203.404(a)(4)).

- A. File the mortgage assignment for record within 30 calendar days after the date of HUD's written agreement to accept the assignment or within such additional time as HUD may authorize in writing.
- B. Submit the title evidence with attachments to the local HUD office, ATTN: Field Counsel, on the date the mortgage assignment is filed for record.
- C. Submit the originals of Parts A and B, Form HUD-27011, with attachments, including the MIC and title submission certification to HUD Headquarters on the date the mortgage assignment is filed for record. HUD expects to receive these documents in HUD Headquarters within 10 days of the date of assignment when properly mailed. Therefore any claims received after ten calendar days from the date of the assignment will be considered late.
- D. Submit a copy of Parts A and B and the original of Part D, Form HUD-27011, with attachments, to the local HUD office, ATTN: Single Family Loan Management Branch on the date the mortgage assignment is filed for record.

3-3 EXTENSION OF TIME REQUIREMENTS.

If the mortgagee cannot comply with the time requirement for paragraph A. above because of circumstances beyond its control, it should submit form HUD-50012, Mortgagee's Request for an Extension of Time, to the local HUD office ATTN: Single Family Loan Management Branch to request an extension of time. See paragraph 1-6.

3-4 ASSIGNMENT REQUIREMENTS.

A. The Security Instrument (Mortgage).

1.The security instrument, together with any amendments or modification thereof, shall be assigned to "The Secretary of Housing and Urban Development of Washington, D.C., his/her successors and assigns", with the address of the local field office and "Attention: Single Family Loan Management Branch". (In those jurisdictions where it is necessary to name the person who holds such office, the assignment should be made to the person holding such office "as Secretary of Housing and Urban Development, his/her successors and assigns" at the time of the preparation of the assignment form.)

2.The assignment of the security instrument must be in a form which satisfactorily meets the legal requirements of the jurisdiction where the property is situated, and must be a valid assignment. The assignment must contain the following warranty:

"Without recourse or warranty, except that the undersigned hereby warrants that:

a.No act or omission of the undersigned has impaired the validity and priority of the said security instruments;

b.The security instrument is a good and valid first lien and is prior to all mechanics' and materialmen's liens filed of record regardless of when such liens attach, and prior to all liens, encumbrances, or defects which may arise except such liens or other matters as have been approved by the assignee hereunder;

c.The sum of _____ Dollars [in blank space insert amount of the unpaid principal balance] together with the interest from the _____ day of _____, 19_____, at the rate of _____ %

per annum, computed as provided in the Note, is actually due and owing under the said Note;

d.The undersigned has a good right to assign the said security and credit instruments."

B.The Credit Instrument (Note). The original credit instrument shall be endorsed to the Secretary of Housing and Urban Development in the following manner:

"All right, title and interest of the undersigned to the within credit instrument is hereby assigned to the Secretary of Housing and Urban Development of Washington, D.C., his/her successors and assigns." (In those jurisdictions where it is necessary to name the person holding such office, the assignment should be made to the person holding such office "as Secretary of Housing and Urban Development, his/her successors and assigns," at the date of the preparation of the assignment form.)

(If the endorsement is dated, it must bear the same date as the date of the execution of the assignment of the security instrument.)

3-5 TITLE EVIDENCE.

HUD will accept an assignment and pay the insurance claim before examining the title evidence to determine whether it complies with Federal requirements. In the event title deficiencies appear after the claim has been paid, the mortgagee will be required to correct the deficiencies or reimburse HUD. (24 CFR 203.363 and 203.366)

A.Submission to Field Office. Title evidence held by the mortgagee must be sent to the local HUD office, ATTN: Field Counsel, on the date the assignment is filed for record. The title evidence must be accompanied by:

1.The original security and credit instruments, including endorsement of the Note to HUD.

2.A copy of the assignment to HUD that was submitted for recordation. NOTE: The original recorded assignment must be sent to the local HUD office, ATTN: Field Counsel, as soon as it is received from the recording authority.

3.Copies of all intervening assignments.

4.The mortgagee's original title policy evidencing the loan to be a first lien of record. The title evidence need not be extended to reflect the assignment to HUD.

Note:Certificate of title with master policies or ALTA short form policies are not acceptable forms of title evidence for HUD.

5.A copy of Part A.

6.If the property is damaged a letter certifying that the conditions of 24 CFR 203.379 (a)(1) or (2) have been met.

7.If the mortgage or the property was sold by HUD and 24 CFR 203.390 applies, a statement that describes the defect or impairment of title.

B.Title Submission Certificate. The mortgagee must execute a Title Submission Certificate in the form shown in Appendix 16 and submit it to HUD Headquarters and the local HUD office with Parts A and B of Form HUD-27011. This certification will inform both offices that the title evidence has been sent to Field Counsel and is awaiting approval.

C.Title Rejection. If Field Counsel rejects the title evidence as submitted the mortgagee must resolve all reported deficiencies. If the deficiencies are not resolved within 30 days the mortgage may be reassigned and the mortgagee will be required to reimburse HUD for all insurance benefits and costs. When the deficiencies have been resolved the mortgagee may resubmit the claim but interest will be computed only to the date an acceptable assignment should have been recorded.

D.Title Approval. After the title evidence has been approved the field office will send the mortgagee a title approval letter which must be retained in the claim records file.

3-6 OCCUPANCY OF PROPERTY.

To be eligible for assignment, the property must be the mortgagor's principal place of residence unless this criterion is waived by HUD. Therefore, the property must be occupied by the mortgagor unless HUD waives the criterion. HUD also makes an exception concerning the occupancy requirement if the mortgage is being assigned pursuant to 24 CFR 203.390.

3-7CONDITION OF PROPERTY AT ASSIGNMENT. (24 CFR 203.379) When a mortgage is assigned to the commissioner, the property shall be undamaged by fire,

earthquake, flood, tornado, hurricane or damage caused by the mortgagees failure to take action to protect and preserve a vacant or abandoned property if the mortgage was insured on or after January 1, 1977.

A.Repairs by Mortgagee.

1.Before assigning the mortgage to HUD, the mortgagee must repair such damage at its own cost. (24 CFR 203.379(a))

2.The mortgagee is not required to repair damage resulting from causes other than those itemized above unless the repairs are requested in writing by HUD, or the repairs are necessary to protect and preserve the property until assignment of the mortgage to HUD. The cost of any such repairs should be entered in Part C. If the property is damaged by such other causes, Item 24 must be marked "No" and the nature of the damage and the reason for denial of responsibility must be explained in the Mortgagee's Comments section of Part A.

3.HUD will not reimburse the mortgagee for repairs to or maintenance of property occupied by the mortgagor.

B.Unrepaired Assignment.

If the prior approval of HUD is obtained, property damaged by the causes itemized in paragraph A-1 may be in an unrepaired condition at the time of assignment and there will be deducted from the insurance benefits, HUD's estimate of the cost to repair the damage or any insurance recovery received by the mortgagee, whichever is greater. (24 CFR 203.379(a)(1)) The deduction will be limited to the amount of insurance recovery if the property has been damaged by fire and the mortgagee certifies that the conditions of 24 CFR 203.379(a)(2) relating to cancellation or reduction of insurance coverage are met. The mortgagee should request from the local HUD office their estimate of the cost of repairing the damage, and permission to convey the property without repairs. HUD's estimate must be entered in Item 27, Part A.

3-8 PROTECTION AND PRESERVATION OF PROPERTIES.

When a mortgage is accepted for assignment the property is usually occupied by the mortgagor and not subject to protection and preservation requirements. (24 CFR 203.377) There may be occasions, however, where the property is vacant at the time of, or prior to, assignment of the mortgage.

A vacant property must be protected and preserved while it is in the possession of the mortgagee so that it will not be damaged at the time of assignment. A prudent mortgagee will protect and preserve a vacant property to avoid potential damage to the property and surcharges to their claim. HUD will reimburse the mortgagee for required preservation and protection costs within locally established limits when these expenditures are adequately documented. See Chapter 2 for detailed requirements.

3-9 HAZARD INSURANCE.

Do not cancel the hazard or flood insurance policy. The mortgagee must notify the insurance carrier of the change in mortgagee and must authorize the carrier to amend the loss payable clause substituting as mortgagee "Secretary of Housing and Urban Development his/her successors and assigns IN CARE OF (and insert the address of the local HUD field office)". The amendment should be effective as of the date the mortgage is assigned. A copy of the letter from the mortgagee to each insurance carrier, authorizing the amendment, should be submitted to the local HUD office, Single Family Loan Management Branch with the original insurance policy.

3-10 ASSIGNMENT COSTS.

HUD will reimburse mortgagees for such costs and attorney's fees as were properly incurred in connection with the defaulted mortgage and its assignment to HUD.

A.Allowable Costs. A complete listing of allowable or unallowable costs would not be practical because procedural requirements and terminology vary in different jurisdictions. Generally, HUD will reimburse a mortgagee for:

1.Fees which must be paid to public officials such as recorders of deeds or public trustees.

2.Costs which are required by law.

3.Fees and costs which are necessarily incurred and are reasonable and customary in the area such as attorney fees.

B.Costs Not Reimbursable. HUD will not reimburse a mortgagee for:

1.Fees and costs which exceed reasonable and customary fees for the area. If a fee exceeds the customary fee for the area, for adequate reason, the excess may be paid by filing a supplemental claim (see paragraph 1-12).

2.Costs which are not necessarily incurred or are required because of dilatory service, such as courier service or express mail or property inspection by attorneys.

3.Costs which are overhead items such as postage, telephone, duplicating or collection services. The attorney's or trustee's overhead costs should be included in their fee.

4.Costs for Title Policy.

3-11 NOTICE TO MORTGAGOR.

A.On the day the assignment is filed for record notify the mortgagor that HUD is now the mortgagee and HUD will provide payment instructions.

B.If the mortgagee receives payments from the mortgagor after the assignment is filed for record send the funds, with the FHA case number, to HUD through the HUD Lock Box at the following address:

Payment Processing Center P.O. Box 105652 Atlanta, Georgia
30348

3-12 NOTICE TO TAXING AUTHORITY.

The mortgagee must instruct the taxing authority to send tax bills to the local HUD office. Any tax bills received by the mortgagee after the assignment was filed for record must be sent by the mortgagee to the local HUD office.

3-13 CLAIM PAYMENT.

Upon receipt of Parts A and B, Form HUD-27011 and the required attachments, in Headquarters, HUD will pay to the mortgagee the unpaid principal balance of the mortgage and an amount determined by:

A.Adding the Following Items.

1.Any mortgage interest accrued and unpaid at the time of assignment,

2.Any advances made under the mortgage and approved by HUD,

3.Reimbursement for approved costs and attorney's fees, and

4.Debenture interest on the net claims amount (excluding mortgage interest) from the date of assignment to the date

of payment unless such interest is curtailed because of the mortgagee's failure to meet the time requirements identified in paragraph 3-2.

B. Deducting the Following Items.

1. Any cash retained by the mortgagee, including amounts held or deposited for the account of the mortgagor or to which it is entitled under the mortgage transaction that have not been applied in reduction of principal, and

2. Any damage or insurance recovery reported in Item 27.

3-14 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 on the mortgagee are designed to provide critical control and notification functions which enable HUD to expedite the payment of a claim.

All documents must be sent to HUD Headquarters or the local HUD Office on the date the assignment is filed for record, as follows:

A. TO HUD HEADQUARTERS.

1. The original Parts A and B.
2. The original Mortgage Insurance Certificate.
3. The Title Submission Certificate.
4. Worksheet showing reallocation of mortgage payments if capitalized method of accounting is used.
5. Copy of the Mortgage Note if the Mortgage is a GPM, ARM or GEM.

B. TO THE LOCAL HUD OFFICE, ATTN: SINGLE FAMILY LOAN MANAGEMENT BRANCH.

1. Copies of Parts A and B.

2. The original of Part D.

3. A copy of the Title Submission Certificate.

4.The original of all hazard insurance policies and a copy of the notice to the insurance carrier requesting that HUD be named beneficiary in the mortgage clause.

5.Copy of the last tax bill paid.

6.All ledger cards or payment records. If capitalization method is used, attach a worksheet showing allocation of payments per mortgage terms.

7.Section 235 loans. If not provided with the assignment request documents, send the last two recertifications (Forms HUD-93101, HUD-93101A); employment verifications; Form HUD-93115, Notice to Homeowner (where appropriate); and Form HUD-93114, Notice of Suspension, Termination and Reinstatement of Assistance Payments Contract (where appropriate).

8.If the case is subject to Section 235 recapture of assistance payments, provide the total dollar amount of assistance applied to the account through the date of assignment.

9.Copy of buydown agreement, if any, and all documents which relate to the payment amount or application of the payments.

10.Any additional information which HUD may require.

C.TO THE LOCAL HUD OFFICE, ATTN: FIELD COUNSEL.

1.Original mortgage.

2.Original note with endorsement.

3.Copy of assignment to HUD.

4.Copies of all intervening assignments.

5.Mortgagee's original title policy evidencing the loan to be the first lien of record.

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6.A copy of Part A.

7.A copy of HUD's letter approving assignment of a damaged property under 24 CFR 203.379(a), if applicable.

8.The mortgagee's certificate that the conditions of 24 CFR 203.379(a)(2), relating to fire damage, have been met, if applicable.

9.A statement relating to title defects if 24 CFR 203.390 applies.

NOTE: See paragraph 1-8 for file documentation requirements.

The following Table (Table 3.1) illustrates the document submission requirements for assignment claims.

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ASSIGNMENT CLAIM SUBMISSION REQUIREMENTS

 * GRAPHICS MATERIAL IN ORIGINAL DOCUMENT OMITTED *

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3-15 CLAIM PREPARATION - ASSIGNMENTS.

The claim must be completed as described below using HUD Form-27011, Single Family Application for Insurance Benefits. In order to avoid delay in payment, the claim must be complete and accurate and contain all information requested. Note paragraph 1-3 concerning pre-screening of applications.

In many instances, the instructions provided in Chapter 2, Conveyances apply equally in assignment cases. When this occurs the words "Same as Conveyance" appear after the Item title and the conveyance instructions for that item are repeated verbatim for convenience.

Note:Mortgagees do not calculate debenture interest in assignment claims.

A.Instructions for the Completion of HUD Form 27011, Part A, Initial Application. The following item by item instructions are to be used when completing HUD Form 27011, Part A, for assignment claims.

PART A

INITIAL APPLICATION

Item 1 Claim Type. Place an "X" in the space for Claim

Type 02 = Assignment.

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. All mortgages endorsed
since 1962 use the first style shown below, with
three numerals, then a hyphen, then six numerals
(or seven including the check digit). Be sure too
include the hyphen on the claim, whether the claim
is submitted on paper or through electronic data
interchange (EDI), even though CHUMS may omit it.
The three other acceptable FHA case number
formats, for pre-1962 mortgages, are also
illustrated below. All models include the Section
of the Act (SOA) ADP codes. The formatted case
number appears on the MIC or the advanced notice
of S/F Annual MIP unless the case is included in
CHUMS, as in "5" below.

(1) X X X - X X X X X X X X X
 or X X X - X X X X X X X
 FHA Case No. SOA ADP Code

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(2)	X X - X X X X X X FHA Case No.	X X X SOA ADP Code
(3)	X X X X X X - X X FHA Case No.	X X X SOA ADP Code
(4)	X X X - X X X X X FHA Case No.	X X X SOA ADP Code
(5)	X X X X X X X X X X FHA Case No. (used in CHUMS)	X X X SOA ADP Code

Item 4 Default Reason Code (Same As Conveyance). Enter
the applicable code number from the default
reasons listed below. If code 15 is used, explain
the reason on the reverse of Part A under
"Mortgagee's Comments."

CODE	REASON
01	=Death of a principal mortgagor
02	=Illness of a principal mortgagor
03	=Illness of mortgagor's family

member

- 04 =Death, mortgagor's family member
- 05 =Marital difficulties
- 06 =Curtailement of income (reduction of income of a borrower)
- 07 =Excessive obligations - same income, including habitual nonpayment of debts
- 08 =Abandonment of property
- 09 =Distant employment transfer

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- 10 =Neighborhood problem
- 11 =Property problem
- 12 =Inability to sell property
- 13 =Inability to rent property
- 14 =Military service
- 15 =Other reasons (explain in Mortgagee's Comments)

Item 5 Endorsement Date (Same as Conveyance). Enter the endorsement date that appears on the Mortgage Insurance Certificate. If the mortgage was insured before MIC's were issued, enter the endorsement date that appears on the note.

Item 6 Date Form Prepared. Enter the date this form is completed and submitted to HUD. To avoid interest curtailment, Parts A and B must be submitted on the day the assignment is filed for record and title evidence is submitted to the local HUD office. See Pars. 3-4.

* Note: Although HUD permits 10 days from this date to receive the HUD-27011 before curtailing interest for late submission, you are required to enter in Item 6 the date of the actual submission/ mailing date of the form.*

Item 7 Due Date of First Payment to Principal and Interest (Same as Conveyance). Enter the date the first payment to Principal and Interest was due. Obtain this date from the mortgage note.

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).

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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. Not applicable.

Item 10 Date Deed or Assignment Filed for Record or Date of Closing or Appraisal. Enter the date the assignment to the Secretary is filed for record. The date the assignment is mailed to the recording authority may be entered. Do not enter the date the assignment is mailed to an attorney.

Whichever date is entered (recording or mailing) will be used in evaluating all other related time requirements and cannot be altered.

Item 11 Date Foreclosure Proceedings (a) Instituted or (b) Date of Deed In Lieu. (Not applicable.)
Exception: enter when foreclosure was properly initiated and Local Office requested withdrawal of the foreclosure action.

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

Note: This number determines the payee's name and the address to which the insurance benefits check and claim payment data are mailed.

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

Note: 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.

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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 printed on the benefits check. If the mortgagee is FNMA or GNMA, the FNMA or GNMA loan number must be entered.

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

Item 16 Holding Mortgagee EIN (Same as Conveyance). Not applicable.

Item 17 Unpaid Loan Balance as of Date in Item 8 (Item 11 if coinsurance) (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. Partial payments insufficient to complete a full monthly installment are to be reported 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 or coinsurance loan.

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Item 19 Expiration Date of Extension of Foreclose/Assign.
If a request for an extension of time to assign the mortgage is requested by the mortgagee and granted by the local HUD office, enter the expiration date of that extension. The extension must be in writing.

Item 20 Date of Notice/Extension to Convey. Enter the date of the local HUD office approval to assign the mortgage (Assignment Acceptance Letter).

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 60 day extension to begin foreclosure, enter the release date which applies to the extension.

* Item 22 Is Property Vacant? Yes or No - Check one to indicate the occupancy status as of the date in Item 10.*

Item 23 If Item 22 is "No," Date of Local HUD Office Approval - Not applicable.

Item 24 Is Property Conveyed Damaged? Yes or No (Same as Conveyance) - Check "yes" if the damage falls into the categories listed in paragraphs 2-10 and 2-11.*

If there is no damage or if there is damage to the property which is not covered by the above paragraphs, check "no." In the latter case, specify the type of damage and if any immediate repairs are needed on the reverse of Part A under "Mortgagee's comments."

Item 25 If Item 24 is "Yes," Date of (a) Local HUD Office Approval (Pursuant to 203.379(a)(1)) or (b) Certification (pursuant to 203.379(a)(2)) (Same as Conveyance) - Enter the date of the HUD approval letter or the mortgagee certification letter, whichever is applicable. Attach a copy of the certification

letter to Part A (copy 1) which is sent to the local HUD office.

Item 26 Type of Damage (Same as Conveyance) - Check appropriate box. If more than one type of damage, check the type that caused the greatest damage. Do not complete this item if item 24 is checked "no."

Item 27 Recovery or Estimate of Damage - A figure must be entered here if item 24 is "yes" and 25(a) applies. If the local HUD office approved assignment of a mortgage on the property in a damaged condition, enter the greater of HUD's estimate to repair the damage (obtained from the local HUD office) or the amount of the insurance recovery. If the insurance recovery is not received when this item is completed, estimate the amount. AN AMOUNT MUST BE ENTERED.

If item 25(b) applies, enter the amount of the insurance recovery, if any. If insurance recovery has not been received, estimate the amount.

Item 28 Is Mortgagee Successful Bidder? Yes or No - Not applicable.

Item 29 Deficiency Judgment Code. Not applicable.

Item 30 Authorized Bid Amount. - Not applicable.

Item 31 Mortgagee Reported Curtailment Date. Not applicable.

Item 32 Schedule of Tax Information. Enter complete information on the last amount paid for each type of tax or assessment. If a tax has not been paid because it was not available for payment before assignment, show the exact title of the tax or assessment to which it is subject. If a tax was not paid because of a Homestead or similar exception, identify the tax and enter the exception type in the "Amount Paid" column.

information, if applicable (e.g., county tax, first half or school district tax, second half) and the year for which the tax assessment was levied.

Collector's Property Identification. Enter the number used by the taxing authority to identify the property.

Amount Paid. Enter the amount paid for each type of tax or assessment (excluding penalties and interest) and attach a copy of the bill to the copy of Part A sent to the local HUD office. If no tax was paid because of an exemption, enter the type of exemption. If the tax was not paid for other reasons, enter "None."

Period Covered, From - To. Enter the dates covered by the tax whether paid or not and without regard for the due date.

Date Paid. Enter the date of actual payment. All tax bills available before assignment should be paid regardless of the due date. Tax bills received after the date the assignment is filed for record should be sent to the local HUD office, identified by the FHA case number and the taxing authority identification number.

Internal Revenue Service (IRS) Lien. If there is an IRS tax lien, enter the date and the expiration of the lien on the reverse side of Part A under "Mortgagee's Comments."

Notice to Local HUD Office. In addition, the local HUD office must be promptly advised of the tax status of the property. After the assignment has been filed for record, the mortgagee shall immediately forward all tax bills received, which are in order for payment and properly identified by the FHA case number, to the local HUD office, ATTN: Single Family Loan Management Branch.

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. See Par. 1-14 for additional information.

- Item 34 Brief Legal Description of Property (Same as Conveyance). Enter a brief description of the property. This information is found on the mortgage which should agree with the deed to HUD.
- 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
and 38 Mortgagee Official Signature, Date and Title, and Servicer Signature, Date and Title (Same as Conveyance). The claim must be signed and dated by an official of the holding mortgagee if the holding mortgagee is filing the claim. If a servicer is filing the claim on behalf of the mortgagee, an official of the servicer must sign and date the form. The application must be complete when signed and the actual date signed must be entered by the signing official. The application will be returned if it is not signed or if it contains a stamped or duplicated signature.

Note to signing official: Please be sure you have read and understand the certifications on the HUD Form-27011 before signing and

dating. If your system prints the date in items 37 and 38, check to ensure this is the date you

are signing the form. Also check the submission date in item 6 to ensure it does not reflect an earlier date. The date in item 6 should be the same date as item 37 or item 38. *

Item 39 Amount of Monthly Payment to: (a) FHA insurance, (b) Taxes, (c) Hazard Insurance and (d) Interest and Principal. Enter the regular monthly payment.

Item 40 If Bankruptcy Filed, Enter Date. Enter the date of the last bankruptcy action. This is required if Item 21 is completed.

Item 41 If Conveyed/Assigned Damaged, Date Damage Occurred (Same as Conveyance). Enter the date the mortgagee or its agent first became aware of damage to the property. This date should be available in the Inspection Reports. If there are no Inspection Reports because the property was occupied and the date of damage is not known, enter an estimated date and indicate in the Mortgagee Comments section that the date is an estimate.

Item 42 Date HIP Canceled or Refused, if Applicable (Same as Conveyance). Enter the date the fire insurance policy was canceled or refused by the insurer, if the property was damaged by fire and the mortgagee executes a certification pursuant to 24 CFR 203.379(a)(2) (a date will be entered in Item 42b).

Item 43 Number of Living Units (Same as Conveyance). Enter the number of living units in the property.

Item 44 Status of Living Units (Same as Conveyance). Indicate if the property is vacant or occupied for each living unit by checking the appropriate box. If the unit is occupied, enter the occupant's name. If the unit is vacant, enter the date vacated (as best as can be determined) and the date the mortgagee secured the property.

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Mortgagee's Comments, if Any. Use this area to justify unusual circumstances as well as other information required by the instructions.

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

B. Instructions for the Completion of HUD Form 27011, Part B, Fiscal Data. The following item-by-item instructions are to be used when completing HUD Form 27011, Part B, for assignment claims. Prepare this Part after Part D has been completed. The information entered in this Part is transferred from Part D. Parts C and E are not applicable to the assignment claim.

Note: Debenture interest is not calculated by mortgagees in assignment claims.

PART B

FISCAL DATA

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

Items 101 and 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 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. Enter the date Parts A and B are prepared and submitted to HUD (See Paragraph 3-4).

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

Item 106 Check if Supplemental. Not applicable.

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

Item 108 Sale/Bid Price or Appraisal Value (for Coinsurance or Nonconveyances) Not applicable.

Item 109 Escrow Balance (as of Date in Block 10, Part A). Enter amount remaining in escrow account as of the date the assignment is filed for record. Also include any funds received on account of the mortgage which have not been applied to reduce the

indebtedness, e.g., partial payments, buydown 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.

oSee Item 123 for unapplied Section 235 assistance payments.

oPayment 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. Expenses paid from available escrow funds are not to be recorded on Part D.

ODO NOT ENTER A NEGATIVE BALANCE. Advances by the mortgagee for expense payments normally charged to the escrow account shall be recorded under Part D, Items 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.

oIllustration of Mortgagee Advances:

	Date Due	Date Paid	Interest	Principal	Escrow	Escrow Balance
Balance Forward	\$151.60	
1/01/83	2/03/83	\$73.32	\$21.07	\$70.69	222.29	
	8/03/83			198.98-	23.31	
	12/11/83			51.19-	(27.88)/1	

Item 110 Total Disbursements for Protection and Preservation from Line 264, Part C. Not applicable, except for vacant assigned properties.

Item 111 Total Disbursements from line 305, Part D. Enter the total amount appearing in Part D, Item 305.

Item 112 Attorney/Trustee Fees Paid From Line 306, Part D. Enter the total amount appearing in Part D, Item 306.

Item 113 Foreclosure, Acquisition, Conveyance and Other Costs from Line 307, Part D. Enter the total amount appearing in Part D, Item 307.

Item 114 Bankruptcy Fee (if applicable) from Line 310, Part

D. Enter the amount of bankruptcy fees appearing in Part D, Item 310.

Item 115 Rental Income. Enter any income from the rental of the property between the date of default and the date the assignment was filed for record.

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. This entry cannot exceed the amount shown in Item 115.

Item 117 Total Taxes on Deed from Line 308, Part D. Not applicable.

/1First amount to be entered on Part D, Item 305 or 311, as applicable. Interest should only be calculated on \$27.88, not the \$51.19.

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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. Not applicable.

Item 121 Mortgage Note Interest. Unpaid mortgage note interest to the date the assignment is filed for record will be included in the insurance benefits.

From. Enter the date of the last completely paid installment (Item 8, Part A). If no payments were made, enter a date 30 days prior to the due date of the first scheduled payment (Item 7, Part A). If the date of the note is less than 30 days prior to the due date of the first scheduled payment, enter the date of the note.

To. Enter the date on which the assignment to the Secretary was filed for record (Item 10, Part A).

Rate. Enter the mortgage interest rate as it appears on the mortgage note.

Computation method. To obtain the amount of accrued mortgage interest due, multiply the Daily

Interest Rate Factor by the amount of the unpaid principal balance. The Daily Interest Rate Factor is found in the Table in Appendix 8. This result is then multiplied by the number of days from the due date of the last completely paid installment to the date the assignment was filed for record. To assist in determining the number of days refer to the Julian Date Calendars provided in Appendix 9.

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

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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 assistance to which the mortgagor was not entitled and which was not recovered from the mortgagor, unless the overpayment was the result of 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 132 Not applicable. Any amounts appearing on these lines will be disallowed.

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
and 136 Enter the totals of Columns A - Deductions;
B - Additions; and C - Interest.

Item 137 Net Claim Amount (Columns B - A + C). The net claim amount calculated by the mortgagee will differ from the actual amount HUD will pay due to possible interest curtailment, disallowed

expenses, and additional debenture interest calculated to the date of claim settlement.

Items 138

and 139 Mortgagee's Official Signature. Date and Title (signature not necessary if signed by a servicer) and Servicer Signature, Date, and Title. Enter a signature in at least one of these blocks.

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C. Instructions for the Completion of HUD Form 27011, Part C, Support Document.

Part C is not required when filing an assignment claim (except vacant assigned properties, see instruction in Chapter 2).

D. Instructions for the Completion of HUD Form 27011, Part D, Support Documentation (Continuation 1).

The general instructions for the preparation of Part D in conveyance claims are applicable in assignment claims except that where the general instructions refer to "the date the deed is filed for record" or "date of conveyance", the "date of the assignment is filed for record" will be substituted.

Debenture interest on expenditures is paid from the date of assignment (not from the date of payment expenditure) to the date of claim settlement, therefore debenture interest should not be calculated or entered in Part D.

PART D

SUPPORT DOCUMENT (Continuation 1)

Items 300

and 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. Not applicable.

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

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(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 (See paragraph 2-5c).

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 including for each item the date paid, the period covered, the description, and the amount paid. Do not include disbursements which were paid from available escrow funds. No expense should be incurred after the date the assignment is filed for record (Item 10), except where the local HUD office instructs you to take an action. See explanation for escrow account, Part B, Item 109.

Item 306 Attorney/Trustee Fee. Enter reasonable attorney's fees paid in connection with preparation of an assignment of the mortgage to the Secretary. If attorney's fees exceed those normally charged in the applicable jurisdiction and/or if additional space is needed to list fees, attach a separate sheet to this part with an explanation of the excessive fees and/or the additional fees, and ensure adequate documentation is maintained in the claim file. See paragraph 1-10. Total the "Amount Paid" column.

Item 307 Foreclosure and/or Acquisition, Conveyance and Other Costs. Itemize any other legal costs paid by the mortgagee, but not entered in Item 306 above. Total the "Amount Paid" column. NOTE: A fee for the title policy should not be claimed on an assignment.

Item 308 Taxes on Deed. Not applicable.

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Item 309 Special Assessments (Do not use for Coinsurance, see part E). Not applicable.

Item 310 Bankruptcy. Itemize the bankruptcy fees paid. There must be an entry in item 40. If the bankruptcy fees exceed those approved by HUD for routine bankruptcies, see paragraph 1-10.

Item 311 Mortgage Insurance Premiums. Itemize all MIP disbursements, including the date paid, the period covered, and the amount paid. Only include the "advanced" MIP disbursements paid after the due date of the last completely paid installment to the date the assignment is filed for record.

E. Instructions for the Completion of HUD Form 27011, Part E Support Document (Continuation 2). Part E is not required when filing an assignment claim.
