



HERMIT

Home Equity Reverse Mortgage Information Technology

Refresher Training

Q & A

Sept 28, 2012

2:00 – 3:30 PM ET

(Provided By: RMS/QSSI)

Refresher Training Q & A

Will the new Loan setup/IMIP process be 15 days from closing instead of 10 days from funding? The 15 days will give us more time.

Servicers have 15 days to completed loan setup and pay IMIP;
no change to existing process.

Question submitted by: Generation Mortgage

Refresher Training Q & A

Loan is service released on a flow basis. Loan purchase date is 10/3/12. Borrower is given fifteen day notice and transfer occurs on 10/18/12. It appears from training that we can go in and schedule the transfer of servicing but the transfer date would be November 1 instead of 10/18/12. This would mean that because the loan is sitting in our portfolio on the last day of the month that HUD would be drafting us in November which we do not want them to do. Is our understanding correct?

Service Release assumes loan is still in SUSPENSE status. If loan is in either SUSPENSE or PENDING ENDORSEMENT status, the INITIAL Servicer Transfer can be performed at any time. Scheduled Loan Transfers are only applicable to ENDORSED loans.

Question submitted by: RMS

Refresher Training Q & A

On the document issued Thursday, 9-20-12. Item 2.19, page 7, “Note: September month end MMIP billed on October will be collected via Pay.Gov on 10.2”.

Question: does the servicer need to do anything to facilitate this collection?

Or is it the case that HUD will process the charge against the account historically debited via the ACH lockbox process?

If the servicer is required to do anything to facilitate HUD’s 10/2/12 MMIP collection through Pay.gov, please specify those steps.

For Sept Billing the process remains the same.

Servicer has no action for the September billing period.

Question submitted by: One West Bank

Refresher Training Q & A

When a servicer closes out and releases the final repair set-aside in HERMIT, would this action also update FHA-Connections to remove it from HUD's Outstanding Escrow Closeout report? Or would HUD start utilizing the HERMIT data instead with the accurate escrow closeout information?

You will have to continue the same process as today and remove the Outstanding Escrow via FHA Connection.

Question submitted by: Urban

Refresher Training Q & A

HUD monthly servicer report (currently distributed by Lockheed) – Would the HOLDER/owner of a reverse mortgage servicing asset be able to pull monthly reports on balances that are subserviced by others? Currently loan balance information in IACS is only available in the subservicer monthly reports, with no way to separate individual holder loans to verify monthly reconciliations between HUD and subservicers.

The monthly reconciliation report is provided to the Servicer assigned to the loan within HERMIT.

Question submitted by: Urban

Refresher Training Q & A

HERMIT will be taking over as submission point for property preservation over-allowable requests from p.p@deval.us. But p.p@deval.us was also the place we sent code violations, non-routine litigation matters, etc. How will Code violation reporting, non-routing litigation, and other matters be handled? Will we still use p.p@deval.us or is there a timeline or process built into HERMIT which we can use?

- In the same vein as the previous question; will the p.p@deval.us and hecmservicing@deval.us sites still be monitored?

Property Preservation requests to exceed the allowable amounts will be submitted in HERMIT as a Servicer Request.

The Deval email address will remain for such items as code violations, litigation, etc.

Please use the HERMIT Documents Page to upload any supporting documents for such events.

Question submitted by: One West Bank

Refresher Training Q & A

In the training on timelines, it was stated each step would be assigned a 'scheduled date' for completion. Are the 'scheduled dates' adjustable? If a servicer exceeds the scheduled completion date, are there any follow ups, alerts, etc. that will trigger in HERMIT?

- 1) The Scheduled Date cannot be changed on timeline steps.
- 2) There are no alerts for past due scheduled dates.

Question submitted by: One West Bank

Refresher Training Q & A

With the change-over to HERMIT starting on October 10th, how will outstanding over-allowable requests be handled? Will any unanswered over-allowable submitted to p.p@deval.us need to be entered into HERMIT, or can we expect Deval to reply via the old method until the outstanding requests have been completed?

Preservation & Protection History from SMART/DEVAL will be converted into HERMIT. It is suggested that Servicer Requests be held until 10/9; however, all HUD decisions provided October 1 through October 8th, will be noted in HERMIT during the catch-up period.

Question submitted by: One West Bank/Wells Fargo

Refresher Training Q & A

Some of the partners pay their own IMIP and post the 2nd day charges in IACS (MF52) and Generation Mortgage provide the MI14 screen print to go with the file when funding.

Will the 2nd day charges be required to post or will the charges post automatically after the IMIP payment? Will the loan balance screen provide this information?

The new LOAN SETUP in HERMIT allows setup of ALL loan closing information including loan balance details.

Question submitted by: Generation Mortgage

Refresher Training Q & A

How would requests made prior to HERMIT's implementation be answered?

If a D&P request was sent October 6th, would we be able to see the response in HERMIT or through the old procedure?

It is suggested that Servicer Requests be held until 10/9.
However, all HUD decisions provided October 1 through October 8th, will be noted in HERMIT during the catch-up period.

Question submitted by: J B Nutter

Refresher Training Q & A

During training we were required to only input information where there was an asterisk when processing the IMIP.

Will we have to put in all of the fees where there is not an asterisk? Like closing fees, lien, and etc.

When performing Loan Setup, it is considered a best practice by HUD to itemize the starting loan balance details to include closing fees, liens, etc.

Red Asterisks are the enforced required fields.

Question submitted by: Generation Mortgage

Refresher Training Q & A

Since IACS will no longer be available after 9/28/12, which will cause IMIP not to be processed for at least 6 days.

Will refunds be given back for late charges and interest, since some of the payments will be late?

Yes. The refund task has been identified as a “catch-up” activity for the HUD Single Family Premium Manager.

Question submitted by: Generation Mortgage, RMS,

Refresher Training Q & A

During testing a lot of the loans were not in HERMIT. Will all of the loans be uploaded at time of paying IMIP and if not what will be the process for loans not in HERMIT?

Yes. All loans will be converted. The testing site did NOT include regular CHUMS/FHAC data feeds.

Question submitted by: Generation Mortgage

Refresher Training Q & A

Please explain the difference between Taxes & Insurance withheld and 1st Year Taxes & Ins SetAside page 21

The T & I Withheld is a constant amount withheld from a "scheduled payment".

The FYSA "T & I" amount is an amount SET ASIDE from a Line of Credit at Closing. (The NPL is reduced by this amount.)

Question submitted by: Generation Mortgage

Refresher Training Q & A

On page 33 it states “If funds available- use borrower line of credit to pay unpaid property charges: loan not considered delinquent.”

Is the loan still considered to be in default if line of credit funds are used to pay forced placed insurance premiums?

The Loan is not considered to be in DEFAULT if available line of credit is used to pay delinquent amount(s).

Question submitted by: Generation Mortgage

Refresher Training Q & A

Regarding the security levels of access per the HERMIT Access Request Form P271-

For Lender and Servicer-

What type of access does a staff member have?

What does a Manager access have over staff?

The Servicer Manager Role has 2 more privileges than the Servicer Staff Level:

- 1) Change Banking information
- 2) Viewing/Removing Loans from Scheduled transfer.

Question submitted by: RMS

Refresher Training Q & A

In the training, the slide stated the MCA must be at 98% or greater in the section regarding the assignment approval process. However, Mortgagee Letter 2012-17 references the submission of the claim shall only occur when the HECM outstanding loan balance reaches 98% of the MCA. As for the assignment package, it states once HUD reviews the assignment package in HERMIT and grants preliminary title approval, mortgagees “shall then” submit the claim package through HERMIT. There is no mention that the assignment package could not be submitted prior to 98% so I need to confirm the assignment process in HERMIT.

Current functionality requires 98% or greater to create a CT22 claim in HERMIT.

Question submitted by: Generation Mortgage

Refresher Training Q & A

Please advise if more than 1 claim processor can access the same claim at the same time?

If not, how will the processor know that the record is “locked”?

YES, more than one user can access the same claim form. There is no locking of records.

Question submitted by: Celink

Refresher Training Q & A

When a Claim 21 or 23 is filed and the loan is terminated then later a Corporate Advance is paid in Servicing System , will the transaction reactivate the loan and post in HERMIT?

The HERMIT system will allow the posting of Corporate Advances on Terminated loans.

Question submitted by: Celink

Refresher Training Q & A

When a Supplemental Claim 24 is filed will that reactivate the loan?

No.

Filing a CT24 does not reactivate the loan.

Question submitted by: Celink

Refresher Training Q & A

I know that the HERMIT system, as currently programmed, will not accrue interest on any corporate advances made after the loan is called due and payable. However, I was wondering if the UPB as of the due and payable date would continue to accrue interest at the note rate past D&P, or does ALL interest stop at the D&P date in the HERMIT system?

If the note interest on the UPB as of the D&P does continue to accrue interest, what transaction code would we use to notify HERMIT that the liquidation (foreclosure sale) has taken place, so that the note interest can stop accruing?

- 1) UPB continues to accrue interest at the note rate past the D & P date.
- 2) Use the Terminate 3rd Party/FCL Sale Transaction Code.

Question submitted by: Celink

Refresher Training Q & A

Once the assignment claim is paid and the loan is transferred to the “new” servicer.

Will the prior servicer (that submitted the claim) still have READ-ONLY access to the claim we submitted and the payment advice that HUD provides in Hermit.

The prior servicer will no longer have access to assigned loans.
Refer to Mortgagee Refresher Training Session 5 - Pages 40 and 41

Question submitted by: Celink

Refresher Training Q & A

B2G - Transactions Import File

- 1) Should the Effective Date be enclosed in quotes?
- 2) What should be the value be if there isn't a date for the Incurred Date? 0, null, ?

The Effective Date should NOT include quotes.

The Incurred Date can be NULL when not applicable. It is required for Corp Advances and Property Charge Pre D&P.

Refer to the B2G Document for more information

Question submitted by: J B Nutter

Refresher Training Q & A

During the webinar, it appeared from the training materials that a loan would not move into a D&P sub-status until the D&P was approved by HUD. However, and we've pointed this out previously, loans move into a D&P sub-status when the D&P w/ HUD Approval timeline is initiated, not when approval is received from HUD per our HERMIT testing.

This has great impact on all servicers, as it would define the point where servicers use the Pre D&P Property Charges, which accrue, and when they would use the Corporate Advance transactions, which do not accrue.

Current functionality includes, changing the Loan status to D & P upon initiation of D & P Timeline. However a change has been requested to modify the system to cause the status change to occur upon D&P HUD Approval.

Question submitted by: Financial Freedom

Refresher Training Q & A

The six month grace period for historical property charges Pre D&P: Can you confirm that the grace period applies ONLY to these transactions and not to any placing of timelines on loans.

Yes. The grace period is only applicable to the Property Charge Pre D & P.

Question submitted by: Financial Freedom/Wells Fargo

Refresher Training Q & A

Will disbursement transactions upload to loans with a case status of TERMINATED?

Disbursements can be uploaded to TERMINATED Loans.
Use the Batch -> Servicer File Upload page.

Question submitted by: Financial Freedom

Refresher Training Q & A

Repurchase loans – Will HUD automatically debit bank account, or will the servicer initiate the repurchase payment?

The HUD NSC Contractor initiates an Assignment Repurchase timeline.

The Servicer takes the loan back by authorizing the repayment via the HERMIT Accounting -> Authorizations page.

Question submitted by: Financial Freedom

Refresher Training Q & A

In HERMIT how do we rescind a call due request?

The rescind request should be sent to HUD's Loan Servicing Contractor at HECMSERVICING@deval.us.

Question submitted by: J B Nutter

Refresher Training Q & A

In order for the Pay.Gov to go through, we may need

Company ID Number: - 86090300 14

Company Name: - Federal Reserve Bank of Cleveland or FRB-C
SEC Code; PPD or CCD - PPD

Question submitted by: J B Nutter

Refresher Training Q & A

- HECM Lenders and under “what new” Lender Cut/Catch up Checklist
- [http://portal.hud.gov/hudportal/HUD?src=/program_of_fices/housing/sfh/hecm/HERMIT user guide](http://portal.hud.gov/hudportal/HUD?src=/program_of_fices/housing/sfh/hecm/HERMIT_user_guide)