



**CMMIDEV / 3<sup>SM</sup>**

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**BUILDING STRONGER MORTGAGEE PARTNERSHIPS**

**VOLUME VI**

## About ISN

ISN Corporation ("ISN") is focused on helping federal agencies run programs to ensure the highest level of quality, timeliness, and integrity and to eliminate fraud, waste, and abuse. ISN's technology-based approach not only achieves results, but allows our clients and partners to meet their missions with full compliance.

ISN's past work has included field service management, audit and inspection services, property management, investigations, contractor oversight, software and application development, litigation support, real estate and loan servicing compliance, and quality control services. ISN also prides itself on ensuring proper eligibility determinations are made for program participation and access.

ISN has performed work for over 135 Public Sector clients and received numerous Quality Awards and Commendations for outstanding work. ISN has been recognized as one of the fastest growing businesses nationally and has been profiled in numerous industry publications. Most recently, ISN was named 43<sup>rd</sup> on the Washington Technology Fast 50. ISN has high customer satisfaction and CPARS ratings amongst its federal and commercial customers.

As a company appraised at CMMI Level III, ISN understands the full life cycle of successfully run programs, processes, and systems for Services and Software Development. Our technical and managerial solutions ensure that government programs meet not only their current objectives, but their long-term goals as well.

ISN is headquartered in Bethesda, MD and delivers a nationwide footprint of diverse professionals to provide services across the United States and around the world.

ISN has provided the very best technical solutions and talent to federal, state, and local governments for nearly 40 years. Past performance includes work on some of the most important mission-critical systems of the US government. Some clients past and present include:



### ISN CORPORATE HQ – BETHESDA, MD

ISN Corporate Headquarters is located at 10411 Motor City Drive in Bethesda, MD 20817, close to the heart of downtown Washington, D.C.



### ISN WESTERN OPERATIONS CENTER – OKC, OK

ISN's Western Operations Center is located at 2000 N. Classen Blvd, Suite 3200 in OKC, OK 73106, which currently houses the MCM operation and staff. It's located near the HUD National Servicing Center in downtown OKC.

For more information about ISN, please contact:  
[Info@ISNCorp.com](mailto:Info@ISNCorp.com)

# ISN as the MCM 3.0

ISN was awarded the Mortgagee Compliance Manager ("MCM") contract by the U.S. Department of Housing and Urban Development ("HUD") in August of 2020. Please check our website periodically for updates including contact information.

In its continuing role as the MCM, ISN puts a focus on technology and finding new mediums to provide additional information and training. One example currently in use with some mortgagees is the migration from phone conferences to completing conference calls over digital platforms that allow video conferencing. This creates an opportunity for all parties on the call to both share screens and see the same documents being discussed.



Currently ISN completes conference calls on Zoom, Teams, and GoToMeeting. ISN will also continue to participate in industry calls over the phone.



Throughout the life of the MCM 3.0 contract, ISN will issue yearly newsletters and will attend and participate in multiple industry conferences. Additionally, ISN will also take advantage of new and additional resources and ways for information to be distributed whenever possible to make the overall experience of working with ISN as exceptional as possible.

ISN works closely with HUD and Yardi, the team that developed and maintains the REO System of Record (P260), with the ultimate goal of helping provide suggestions on enhancements that keep the various aspects of the system streamlined and create a better overall user experience.

ISN processes approximately 25,000 various types of transactions each month, all submitted from mortgagees related to the conveyance process.

Examples of the types of transactions ISN processes monthly:

- Overallowable Requests and Appeals
- Extension Requests and Appeals
- Surcharge Requests and Appeals
- Occupied Conveyance Requests and Appeals
- 27011 A,B,C,D,E Claim Package Reviews and Demands
- CWCOT Claim Reviews
- Title Packages
- FSM Requests for Monetary Demands and Appeals
- AM/FSM/NSC Requests for Reconveyance and Appeals
- Reacquisition Requests from Mortgagees
- Bypasses
- Document Execution
- Deed Processing
- HECM Overallowables

Further, ISN provides additional information that mortgagees are able to access at <https://www.isncorp.com/hud-mcm/>. ISN's website provides data on best practices, new developments, and recent changes to HUD regulations.

For More Information on  
HUD Regulations



VISIT HUD.GOV  
HUD Handbook 4000.1



# Best Practices

## Overallowable Submissions

### Combine overallowables when possible

Condensing overallowable submissions where possible will help limit unnecessary submissions and streamline the overallowable request process. If all items are submitted on a single request as opposed to scope specific submissions such as an overallowable request to only cut grass, the MCM will be better able to fully consider all conditions related to the submission and be able to provide a fuller and more in-depth review of the request.

### Check for insurable damages before submitting



Mortgagees should be completing a precursory review to ensure that insurable damages are not being submitted for overallowable review without accompanying insurance claims documentation stating the outcome of the insurance claims determination. During review, if the MCM processor believes that the damages are consistent with an insurable event, the request will be denied, advising that an insurance claim must be filed to obtain insurance funds to address the damages. If the mortgagee is aware of damages consistent with an insurable event, it would be beneficial to provide insurance claims documentation supporting that damages are not claimable on the initial submission instead of waiting to file a claim until the OA is denied asking for claims documents. Insurable damages need to be filed with an insurance claim at the first discovery of damages to make sure that insurable funds are captured promptly and do not cause delays in conveying a property to HUD.

Waiting to file claims until being instructed to in an overallowable response causes unnecessary delays that would not validate a reason to extend the conveyance deadline. Unwarranted delays in filing an insurance claim is also one of the more common reasons for denied extensions.

Indicators for insurable damages can be (but are not limited to): lifted, missing, or dented shingles; holes in the roof; melted exterior siding; smoke or soot; water lines on materials and rooms with the bottom half of the drywall removed throughout.

During many of the reoccurring industry calls ISN completes monthly, it has come up that mortgagees are receiving denials for insurable damages due to FHA Connection reporting "Natural Disaster". FHA connection is a system containing information entered by the mortgagees and/or servicers on a monthly basis to track the current status of the property. In the early stages of COVID one of the common FHA Connection codes used to report the COVID moratorium was "Natural Disaster". If a processor notices damages that appear consistent with insurable damage during an overallowable review, even if the mortgagee states damages are not insurable in notes, and sees the FHA connection entries supporting "Natural Disaster," the overallowable request will be denied, and the mortgagee will be advised to file an insurance claim. Often, this results in an appeal asking, why the request was denied due to insurable damages when it was stated that damages were not insurable? The reason is that the provided photos support possible insurable damages, and the FHA connection reporting supports some sort of event that occurred, as evidenced by the FHA Connection reporting as "Natural Disaster". As the Mortgagee Compliance Manager, ISN will take all factors into consideration and if the damages are potentially insurable, it is ISN's responsibility to make sure that they are pursued before considering approval for reimbursement.

If the mortgagee notices that damages are going to be bid and appear to be insurable but have been confirmed to not be insurable, it is best to provide the supporting documentation and/or narrative on the initial submission versus waiting until a denial is received and having to resubmit, causing delays.

### Aged properties



As a reminder, all COVID Foreclosure/Eviction moratoriums have now expired. State specific due diligence timelines still apply, and it is important to maintain a tight timeline and be able to provide clear and detailed chronology documentation when asked if a delay is cited during review. All delays

need to be supported with verifiable information such as foreclosure chronologies, eviction chronologies, and/or AHJ documents.

### HECM submission best practices



Before submitting an overallowable request for a reverse mortgage property, the mortgagee needs to verify that:

- Case status/sub status is not "active".
- The loan has been called "due and payable" (D&P) and the event is logged in case notes.
- Mortgagee also needs to ensure that the case status is not "terminated" in HERMIT.
- All servicer steps must be completed when submitting a new overallowable request in order for the MCM to conduct a review.
- If any of the required servicer steps are not complete the MCM must reject the submission. Failure to complete the above can result in denied submissions and unnecessary delays.

### Common Overallowable denial reasons



- Blurry photos
- Missing date stamps
- No address verification in photos
- Missing bid sheet
- Missing chronology documents
- Missing insurance claim documents
- No photo labels
- Missing appraisal
- Missing inspection history
- No FTV photos or current photos

### HECM specific denials

- Terminated loan status Not
- Due and Payable
- Failure to complete all servicer steps
- Loan balance \$0



# Best Practices

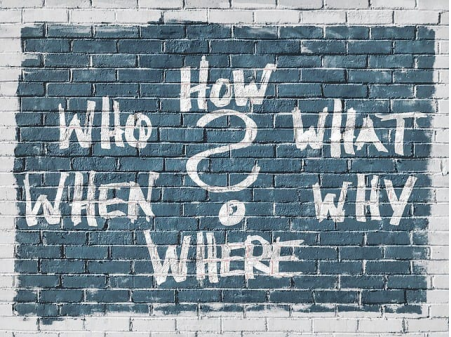
## Claims, Title, and Email Communications

### Claims (CWCOT, 27011-A, and 27011-B,C,D,E)

Certain general practices will help ensure a thorough and timely review. The first of which is using the correct 27011 A-E forms and not using FHA connection screenshots or generic Excel documents as those are not acceptable claim forms.

It is also beneficial for both ISN and a mortgagee to submit the 27011 claim form in an exportable format as opposed to a scan of the claim form, which cannot be exported. When a non-exportable claim form is attached for review, it results in ISN's loss of ability to properly utilize the P260 module to detail the demanded items. Because of this, a separate Word document must be created and uploaded to P260. This can potentially complicate the claim process and will create more work for a mortgagee when an appeal is being submitted. Failure to submit in an exportable format can cause many issues including potential demands if the information cannot be reconciled against the property cap or completion dates. In addition to submitting in an exportable format, making sure that the document is searchable assists the team in locating buried information.

### Accurate item descriptions



Appropriately labeling documentation to state what the document contains is a step that can be taken to streamline the Claim review. When line-item descriptions are vague and limited to "Part B Support" or "Miscellaneous HUD Approved" instead of proper descriptions of work completed it prevents the reviewer from being able to determine and confirm what scope of work is being claimed. This also creates an inability to reconcile it against the before and after photos proving that the approved and claimed work was completed both of which could result in a demand for reimbursement. Accuracy of the claimed item descriptions become even more critical as the number of submitted

documents grows. When all items are labeled the same it makes locating required documentation very difficult due to having to open every single document to determine what each actually is.

In summation, detailed line-item descriptions for work completed must be used (per HUD regulation) and supporting documentation must be labeled to describe what each document contains.



### Excessive documentation

Because of the all-encompassing nature of the claims review, the amount of documentation submitted to support the claim can become extraordinary. The claim file needs to contain only the documentation necessary to support the items claimed. Oftentimes the claims team will receive a submission containing over eighty documents, each of which may be one hundred pages or more, resulting in thousands of photos to review for one claim. When a large number of documents are uploaded, most of which do not apply to claimed items, it makes a demand more likely simply due to the increased possibility of supporting documents being overlooked.

### Reminder of current MCM address for documents

Please remember that ISN has a new address, as of 2021. ISN is still seeing many misdirected documents such as the mortgagee submitted Notice of Pending Acquisition letters going to the previous Shepherd Mall address. Sending documentation to the incorrect address can cause unnecessary delays that could easily be avoided by double checking for the correct address before sending.

### Emailing individuals

When emailing, please ensure to include the correct departmental inbox (refer to the contact list included with this newsletter) on the email. Please also remember that the specialists may not respond to emails as quickly as the general inboxes will. By including the Department Inbox possible delayed responses can be avoided.

### Title Packages, Extensions, and Communication Email subject line

Please ensure the subject line includes the FHA case number, as the property cannot be searched by a mortgagee's loan number.

### Maintaining mortgagee contacts in Yardi

Another critical step mortgagees should be taking is taking the time to make sure that the mortgagee contact information is updated and current in the mortgagee contacts section of P260. The MCM does not update or maintain mortgagee information. If mortgagees do not ensure their contact information is correct and up-to-date, this may lead to the intended recipient not receiving time sensitive documentation on time

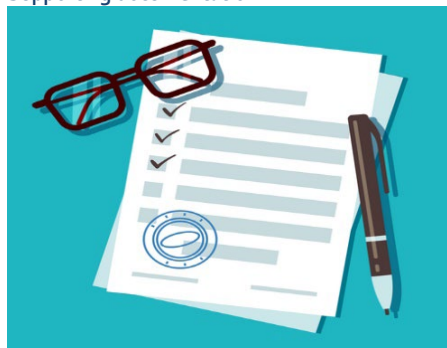
Along with an increase in volume comes an increase in the need to obtain escalated reviews or assistance with uncommon issues. Oftentimes, when something needs an escalated review, it is also a time sensitive issue. Mortgagee's will often reach out directly to a departmental manager or higher due to the time sensitive nature of the issue and omit the departmental inbox. The department inboxes are routinely monitored by staff including supervisors and management, ensuring a high-level review and response in a timely manner.

Additionally, utilizing the correct inbox will prevent unnecessary delays caused by emailing the incorrect inbox or sending the same email to multiple inboxes. ***\*\*Please see the full list of departmental inboxes on the last page of this newsletter. \*\****

Del	Mortgagee Name*	Lender ID*	First Name*	Last Name*	Email Address*	Receive Demand Letters	Receive Reconveyance Letters	Receive Title Emails	Receive Appeal Response Letters	Receive Claim Emails	Receive 27011A Emails	Receive Bypass Emails	Receive Escalation Emails	Inactive	User Name
<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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# Common Overallowable Scenarios

## Supporting documentation



Often, failure to include specific documentation can be the difference between receiving the approval as submitted, receiving a denial, or result in a reduction in approved costs. The minimum documentation necessary prior to MCM review of an overallowable submission is: 1) an itemized bid sheet containing costs, quantities, and materials necessary to complete the required scope. 2) date-stamped photos from FTV supporting property conditions at that time; 3) current date-stamped photos supporting damages now. The more supported a request is, the higher the likelihood is of a fully approved bid request.

If the property is aged then foreclosure and eviction chronologies, as well as occupancy inspection histories, will be necessary to support the timeliness of mortgagee actions. Adherence to established conveyance timeframes is critical to ensure that all P&P actions can be claimed.

## Occupancy inspections

One of the more critical functions of Occupancy Inspections is to capture property conditions and monitor occupancy status after default. Occupancy Inspections show that a property is not sitting vacant, unsecured, and potentially deteriorating. While occupied, property conditions need to be captured showing that the inspections took place on time, verifying that the property is occupied, and document any visible preexisting damages to show conditions existing prior to vacancy. Indicators such as utility status, landscape conditions, the presence of debris, and contact with an occupant are all utilized as reasons to believe that the property is either occupied and should not be secured or that the property is vacant and must be secured.

Occasionally, the MCM reviews an inspection history with unsupported details, which can call into question the accuracy of the FTV or the validity of the findings of the inspections. It is the mortgagee's responsibility to ensure that all details used to determine occupancy in the inspections are supported by date-stamped photos. In instances where the inspection details are not confirmed with

photos and property conditions at FTV are deteriorating, the request will be reviewed for possible failure to secure timely and allowance of deterioration due to not securing a vacant property.

The determination and support of an accurate First Time Vacancy (FTV) and conditions on date the property was secured can mean the difference in work being determined to be the responsibility of the mortgagee to address at their own cost due to neglect or getting the work reimbursed by HUD.

## Large debris removals



One of the most common property preservation activities at a property is debris removal. The HUD established allowable for debris removal for \$50 per cubic yard. This includes gathering the debris, transporting the debris to a dumping facility, and final disposition.

On rare occasions, the allowable for general debris removal might be insufficient. If a dumpster is required and a bid to rent a dumpster is warranted, costs can be considered, but approval would not include the \$50 per cubic yard allowable since the rental of the dumpster includes the costs of the dumpster removal.

## Bidding after the fact

Occasionally the mortgagee will submit bids for work that has already been completed. These types of bids are reserved for situations where waiting for overallowable approval will potentially cause or allow harm to a property and are called Bid After the Fact (BATF).

In addition to normal documentation required with overallowable submissions, before/after photos of work completion should be included confirming that the request is being submitted after work was completed.

## Appealing an overallowable

Appeal scenarios should be used only when a review was able to take place and was not denied due to missing documentation or information. When an initial line-by-line review has not been given, a new overallowable needs to be submitted to allow for an initial review to take place.

## Authority having jurisdiction (AHJ)



Often, mortgagees will hear the term "Authority Having Jurisdiction" or AHJ for short. An AHJ is typically, but not limited to, a government, city, or state official. Sometimes the AHJ is the sheriff or the code officer, and other times it can be the HOA. The main purpose of requiring AHJ documentation is that typically all processes and reviews need to adhere to the rules set forth in the HUD Handbook and various updates. If the mortgagee is requesting approval to complete work that deviates from normal preservation processes, documentation from an AHJ must be provided with the overallowable request. Proper documentation can include city documents, violations, HOA requests, legal documentation, codes and statutes, or even emails from HUD advising that a one-off response is supported. Including proper AHJ documentation on the first request for non-standard processing will go a long way towards reducing the initial denials and requesting support for why whatever is being bid is necessary and required. Failing to adhere to an AHJ's request can potentially cause a demand for reimbursement or a reconveyance if not addressed prior to conveying to HUD.

## Appeal supporting documentation

When appealing an overallowable that was denied, additional documents must be provided to support the reason for appeal. If the initial bid simply had a cost reduction, additional documents should be included to validate consideration for additional funds to be approved.

## HECM appeals

Appeals for HECM properties follow a different process than Forward OA's due to HECM appeals not being submitted via the system of record (HERMIT). Appeals to HECM properties are submitted through the MCM-Appeals inbox. The mortgagees must include the initial submission date of the appealed items along with an explanation for what is being appealed, why it is being appealed and additional documentation supporting the conditions mortgagee believes must be considered.

# Claims and Appealing a Demand

## CWCOT

The evaluation of a CWCOT claim is a complex review. Due to the multifaceted nature of this process and the detailed nature of the submission please see below for a reminder of the best practices when submitting CWCOT claims.

One of the easiest and most overlooked steps in the process is ensuring that documentation is uploaded to the correct module in P260. In this case, the correct module is the CWCOT module. It is not uncommon to find, after reviewing a claim and issuing a rejection that the missing documentation was uploaded to an incorrect module. Uploading documentation to the correct subcategory is another great way to reduce unnecessary rejections and the need to resubmit the entire claim for review. Having multiple claim submissions in the system creates confusion for both the mortgagee and the MCM because it is difficult to clearly identify which document is being rejected and why it was rejected. It can also cause the incorrect document to be removed from the system or have documentation overlooked altogether.



## Uploading claims and review triggers in P260

As stated above, uploading to the correct category is a crucial step in obtaining a full and timely review. Here are examples of common submissions and categories to be used on 01-Conveyance Claims:

- 27011A claims must be uploaded to "Form 27011A", subcategory "Part A" to trigger MCM review of the Part A submission.
- 27011BCDE claims must be uploaded to "Form 27011B", subcategory "Part B, C, D, E" to trigger MCM review of the Part BCDE submission.

Supporting documentation must be uploaded to their respective categories.

- Do not upload supporting documents to the "Form 27011B", subcategory "Part B, C, D, E". Uploading documentation but using the incorrect subcategory risks potential delays and inadvertently missing documentation that was intended to support claimed items.



## Support must be in chronological order

Providing claim supporting documentation and claimed expenses in chronological order not only makes the review more efficient but is also a requirement in HUD Handbook 4000.1. "The Mortgagee must list disbursements for P&P expenses in chronological order in the Date Work Completed column and include an accurate description of the work performed on the Property in the Description of Service Performed column." With the new P&P property cap exclusions becoming a major part of determining the amount spent to date and when the \$5,000 property cap has been met, this will create additional difficulties in reconciling a claim form that will likely result in a demand for reimbursement.

## Yardi P260 user guide(s)



There is a help file found in P260 labeled "Demand-Bypass – Mor User Guide" that is very useful for demand appeals. This help file can help address many of the issues submitted in the admin remedies inbox.

The help file can be located in Yardi/P260 under [Help>Release Notes>2021>Demand Bypass MOR User Guide](#)

## Demand appeals and timeframes

In the past, Demand appeals were sent via email by the mortgagee to the MCM and mortgagees only had to upload documentation into P260 to be reviewed. The demand module/appeals process was modified May 2021, requiring all demand appeal submissions be submitted through P260 and all necessary documentation uploaded along with that submission. As with reconveyance appeals, the MCM has noticed a growing number of missed demand appeal deadlines or incorrect demand appeal submissions. It is imperative that these deadlines are not missed as the MCM does not have any way of approving/denying/adjusting demands once the deadline has expired. Documentation simply being uploaded into P260 is not considered a valid appeal and cannot be reviewed as such. Information regarding demand appeals can be found in the same help file referenced in the Yardi p260 user guide(s) section.

For demand appeals, once the mortgagee receives a demand letter from the MCM, "the mortgagee has the option to either submit evidence of funds or appeal the demand. The Mortgagee has thirty (30) days after the demand letter is issued to appeal the demand.

## Submitting an appeal of demand

To submit an appeal of demand:

1. Access the "Demand Letter Issued to Mortgagee/Mortgagee Action Required (03)" widget and click the Admin Remedy Number link to view the Admin Remedy screen.
2. Click "Add Appeal Info" to pop up the Admin Remedy Appeal screen.
3. On the appeal screen the mortgagee can see all subcategories and the demand amount for each category.
4. Enter an appeal amount for each of the subcategories being appealed.
5. Once all data is entered and saved on the appeals screen the mortgagee will be able to click the "add attachment" button and upload all relevant appeal documentation.

In the event mortgagees disagree with the MCM's appeal decision, the mortgagees may submit for a final appeal to HUD. The timeframe for submitting a Final appeal to HUD is 10 days after the initial appeal decision letter is sent to the mortgagee.

All of this information can be found in the Demand-Bypass MOR User Guide, and should be referenced regularly to ensure processes are aligned to meet deadlines and ensure submission accuracy



# Title - Common Issues and Solutions



## Unable to upload/save/submit documents

The first step is to check to see what step the case is in. If the case is in Step 0 or Step 11, the property is not considered to be in HUD's inventory. Title packages/documents cannot be submitted into P260 or decided if the property is not in HUD's inventory. The case has to move to "Step 1 – Acquired" for P260 to create a new Title record so you will have that "View Title Information" toolbar button available to you to upload Title documents.

If the title package has been approved for the current acquisition period, no new documentation can be submitted through the Title Module.

## Unable to access a case in P260

The mortgagee/foreclosing attorney may not be logging into the system under the correct Mortgagee Name/Lender ID. The current mortgagee of record can be found in Neighborhood Watch (scrolling to the bottom of the screen) under "Claim History".

## Documents uploaded but no review completed

First, check the case in P260 to see who the Responsibility lies with. If the responsibility remains with the Mortgagee, the documents were not properly submitted. Documentation will only trigger for review in the MCM queue when the Responsibility shows as "MCM".

Documents can no longer just be uploaded into the Title Module; they also have to be "Saved and Submitted". Once correctly submitted, the responsibility will move from the mortgagee to the MCM.

If the property is in the Reconveyance pipeline, the title package can be reviewed but cannot be decided until the property is out of the Reconveyance pipeline.

## Upload title documents button not available

How to get the "Upload Title Package Documents" button to activate:

On the Property Title Info screen, you should see a Save button in the upper left (if you don't, then click the Edit button). Enter information about Mobile Home (select Yes/No; if Yes, then enter the VIN Number and Home Tag Number).

- Click Save. That will activate the Upload Title Package Documents toolbar button so you can do the upload.
- After the Title Package is uploaded, there will be a Save and Submit toolbar button displayed to the right of the Upload Title Package Documents toolbar button. Use that button to submit to the Mortgagee Compliance Manager.

If (when working with another case) the Upload Title Package Documents toolbar button does not become available, click the Status History tab on the left side of the Property Title Info screen (then scroll down to the bottom) to be sure the Title Package wasn't already submitted to the Mortgagee Compliance Manager (MCM).

If that submission needs to be rescinded, then contact the MCM and ask for the Title Package to be rejected so you can resubmit.

## Title package approval letter (TAL) not showing

If the title package shows as approved in P260, but the TAL is not viewable in FHA Connection or you are getting error messages, please reach out to HUD for additional clarification.

Advise that the title package has been approved in P260; however, the title package approval is not generating a TAL in FHA Connection. At this point, HUD will direct your inquiry to the appropriate party to review the situation and provide an explanation as to why the approval is not showing in FHA Connection.

## Overdue title package notifications

If you are receiving Overdue Title Package Notifications and you have uploaded documents into the Title Module, this could be an indication that documentation was improperly submitted through the Title Module in P260. The first place to check would be to see whose "responsibility" P260 is showing the case to be with. If the responsibility remains with the mortgagee "Save and Submit" the documents through the title module in P260 for the documentation to trigger a review on our reports and allow the MCM to render a decision.

When documentation is properly submitted, the responsibility will move in P260 from "Mortgagee" to "MCM". For proper submittal, ensure that anyone submitting documentation for title package reviews is aware to check for the movement of the responsibility and is aware of the submission process.

\*User Guides can also be found in P260 under the Help tab > Release Notes > 2020 > Title Workflow User Guides > Mortgagee Title User Guide



## Property failed in the claims without conveyance of title (CWCOT) program

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 the commissioner's adjusted fair market value (CAFMV) must be uploaded to P260. This should be included with the original title package.

# Reconveyance, Deeds, and Reacquisitions



## Bypasses

Bypasses occur most often when a property conveys to HUD incorrectly with damages that should not be present, but either the scope or cost to cure do not warrant a full reconveyance process. Bypasses are at the discretion of HUD and cannot be requested or approved by ISN. If a bypass is offered but HUD's Field Service Manager (FSM) determines that the work completed is insufficient, the bypass will likely convert to a reconveyance without an opportunity to appeal.

## Reconveyance appeals and timeframes

There are two opportunities for mortgagees to appeal reconveyances once a Preliminary Notice of Intent to Reconvey (PNOIR) has been issued: the first appeal is reviewed by the MCM. If the MCM does not rescind the appealed items the second appeal has to be submitted to NSC for review.

Awareness of the process and timeframe for submitting appeals is very important. Missing the deadline to file an appeal or not submitting the appeal through the system correctly voids the possibility for the mortgagee to appeal the reconveyance. The help file referenced above is very useful for demand and reconveyance appeals as well as also containing info for the bypass process. For instance, there is a section in the referenced Demand/Bypass document advising "when the MCM issues the PNOIR Letter to Mortgagee, the Mortgagee (as before) has thirty days to appeal, except for P&P reconveyances where the Mortgagee is given only ten days to appeal". The key take away is that Title Reconveyance Appeals must be submitted within thirty days of the PNOIR being issued and P&P reconveyance appeals must be submitted within ten days of the PNOIR being issued.

The MCM cannot review appeals not submitted through the system (P260) correctly, and/or not submitted within the designated timeframe. The final appeal to the NSC must be submitted no later than ten days after the Claim Reimbursement

Letter is issued by the MCM. Being familiar with the information in the referenced help file will help avoid misunderstandings of how reconveyance appeals are submitted in the system and how long the mortgagee has to file an appeal.

## Request to remove HUD from title

All requests to remove HUD from title should be sent via email only to the MCM Quit Claim Deed (QCD) inbox. This is to ensure all documents are reviewed and approved before execution. All requests should also include the below questionnaire with required documents. In order for the MCM to review a request for execution to remove HUD from title, please provide the documentation requested below. Please be advised that all items below will be required for review:

- FHA case number
- Documentation from the mortgagee that they are aware that they will be placed into title and are in agreement with the request. That documentation can be in the form of an email from the mortgagee
- An explanation of how HUD came to be in title
- A brief status of the case (pre-sale or post-sale)
  - Will the part A claim be filed?
  - When is it expected to be filed?
  - Will the property be conveying back to HUD in the future?
  - Is property part of the CWCOT program?

## Documents that should be included with a request to remove HUD from title:

- A copy of the recorded deed that placed HUD in title
- The deed back to the mortgagee in word format
- Completed applicable tax forms per state requirements
- Return shipping label to return deed

## Recorded deeds

Once the mortgagee receives a copy of the recorded deed removing HUD from title, it is imperative that a copy is emailed to the MCM QCD inbox and/or uploaded to P260. This is to ensure HUD has a copy on file in the system of record.

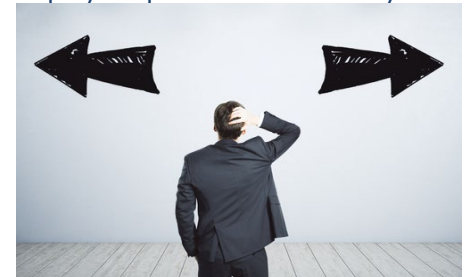
## Requests for attorney prepared deeds

When the mortgagee receives a request to provide an attorney prepared deed, the information should be provided ASAP. The goal is to have the reconveyance completed within 30 days of HUD receiving the claim reimbursement funds. The faster the MCM receives the requested information the faster the reconveyance process can be completed.

## Requests for recorded deed to HUD

When the mortgagee receives a request to provide a copy of the recorded deed to HUD, the information should be provided ASAP. The MCM needs the information in order to review the legal description and the grantor information so that the deed back to the mortgagee is prepared with accuracy.

## Property reacquired into HUD's inventory



If property was reconveyed back to the mortgagee and later is reacquired back into HUD's inventory, a new reacquisition title package will need to be submitted through the Title Module in P260.



**ISN**

# Secretary Held Loan Servicing (SHLS)

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Deputy Program Director	Tim Brandt	tbrandt@isncorp.com	(405) 546-7511
Cash Manager	Travis Lane	tlane@isncorp.com	(405) 546-7520
Loan Servicing Manager	Joseph Bagby	jbagby@isncorp.com	(405) 546-7500



Department	Purpose address	Phone
<b>Servicing Inquiries</b> PCServicing@hud.gov	<b>General Inquiries</b>	(833) 732-4353
<b>Payoff Requests</b> PCPayoffs@hud.gov	<b>Payoff Requests and Inquiries</b>	(833) 732-4353
<b>Partial Claims</b> PCPartialClaims@hud.gov	<b>Partial Claims and Inquiries</b>	(833) 732-4353
<b>Subordination Requests</b> PCSubordinations@hud.gov	<b>Subordination Requests and Inquiries</b>	(833) 732-4353
<b>Release Requests</b> PCReleases@hud.gov	<b>Lien Release and Inquiries</b>	(833) 732-4353
<b>Mortgagee Partial Claim Document Submittal</b> PCDocs@hud.gov	<b>Partial Claim Documentation and Inquiries</b>	(833) 732-4353
<b>Bankruptcy, Legal Notices, and Congressional</b> PCLegal@hud.gov	<b>Legal Notices and Inquiries</b>	(833) 732-4353

**ISN**

# Mortgagee Compliance Manager (MCM)

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ISN Customer Service	mcm-info@isncorp.com	(405) 602-1520
P&P/Over-allowable Inquiries	mcm-preconveyance@isncorp.com	(405) 602-1520
Appeals & Demands Inbox	mcm-appeals@isncorp.com	(405) 602-1520
Voluntary Reconveyances	mcm-volreconvey@isncorp.com	(405) 602-1520
Reconveyance Inbox	mcm-reconveyance@isncorp.com	(405) 602-1520
Reacquisition Inbox	mcm-reacquisition@isncorp.com	(405) 602-1520
Notification of Violations	mcm-violations@isncorp.com	(405) 602-1520
Claims Inbox	mcm-claims@isncorp.com	(405) 602-1520
Title Inquiries & Requests	mcm-title@isncorp.com	(405) 602-1520
Quit Claim Deeds	mcm-qcd@isncorp.com	(405) 602-1520
Occupied Conveyance Requests	mcm-ocr@isncorp.com	(405) 602-1520

Authored by Ryan Tanner and Tim Brandt