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ASSIGNMENT ACCEPTANCE LETTER TO MORTGAGEE

LENDER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_ :

SUBJECT:           MORTGAGOR NAME:  
                    FHA CASE NO.:  
                    LOAN NO.:  
                    LOG NUMBER:

We have decided to accept the assignment of the subject mortgage. HUD regulations require that you record the assignment of the security and credit instruments to HUD within 30 days of the date of this letter.

Do not report this loan to the credit bureau as a foreclosure. If you have initiated foreclosure in error, contact the HUD Office immediately.

On the date the assignment is filed for record, you must submit your claim (original) to Department of Housing and Urban Development ATTN: Insurance Claims Branch, Post Office Box 23998, Washington, DC 20026. On this same day, forward a copy of your claim to this office, ATTN: Loan Management Branch, and submit title evidence to the appropriate HUD Field Counsel.

You must submit title evidence under separate cover and it must be accompanied by a dated cover letter which includes the mortgagor's name, the FHA case number, the loan number, the property address, and the address to which all title-related correspondence should be sent and the name and telephone number of the person in your office to whom all title-related questions may be referred.

Prepare your claim on Form HUD-27011, Single Family Application for Insurance Benefits, and follow its accompanying instructions. Ensure that a copy of your title submission certificate is included with the Form HUD-27011 submitted to both HUD Headquarters and this office. Incomplete or incorrectly prepared

claim packages will be returned to lenders, and, in such cases, the debenture interest allowance in the cash payment of the claim may be computed only to the date on which the assignment was filed for record. To

avoid the loss of interest and additional work entailed in resubmitting a claim, please ensure that the claim is accurately completed. Claims must be received by the Insurance Claims Branch within 10 days of the date the assignment was filed for record.

Complete the following actions prior to recording the assignment:

1. 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 of Washington DC 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.

Also instruct the insurance carrier to modify their standard billing procedures. The insurance carrier must be advised to send premium notices directly to the homeowner with a copy of the notice to this office. The premium notice must clearly indicate that it is the original notice and the homeowner is responsible for prompt payment. If the policy is canceled due to non-payment of the premium, the insurance carrier must provide this office with a copy of the cancellation notice.

Also instruct the insurance carrier to address all correspondence concerning hazard insurance to the homeowner with a copy to this office, not HUD Headquarters, in Washington, DC.

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9/94

Page 2 of 3

4330.1 REV-5

APPENDIX 34

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2. Secure and pay all available tax bills prior to the date of assignment regardless of whether the taxes are payable before or after the expected date of assignment. Any bills received after the date of the assignment must be mailed to the Loan Management Branch of this office. Notify all applicable taxing authorities of the change in mortgagee and instruct them to send all future tax bills to this office -- not HUD Headquarters in Washington, DC. If a taxing authority requires the mortgagor's written permission to send tax bills directly to this office, provide the taxing authority with the necessary documents.

3. On Section 235 mortgages, bill HUD for any assistance payments earned through the date the assignment was filed for record and apply these and any earned assistance on hand to the mortgagor's account. Since regulations require that lenders may not start foreclosure until the assignment process has been completed,

eligible delinquent mortgagors are still entitled to assistance payments even if they were not paying their share of the mortgage payments.

\*If the mortgage has a Section 235 Recapture provision, the HUD Field Office and HUD Headquarters Office of Finance and Accounting must be notified of the total amount of subsidy that HUD paid on behalf of the mortgagor. \*

Should you have any questions concerning the preparation or submission of your claim for the title evidence, please contact the Loan Management Branch on ( ) \_\_\_\_\_ - \_\_\_\_\_, or Field Counsel on ( ) \_\_\_\_\_ - \_\_\_\_\_.

Sincerely,

Director  
Housing Management

Division