



U.S. Department of Housing and Urban Development  
**National Servicing Center, Branch 3**  
2 West 2<sup>nd</sup> Street, Suite 400  
Tulsa, OK 74103

<http://www.hud.gov/offices/hsg/sfh/nsc/nschome/cfm>

## How to Successfully Submit a HECM Assignment Request to HUD

Under the assignment option, the servicer has the option of assigning the mortgage to the Secretary if the mortgage balance is equal to or greater than 98% of the maximum claim amount or the borrower has requested a payment which exceeds the difference between the maximum claim amount and the mortgage balance. In addition, the following conditions must be met:

- The servicer is current in making the required payments under the mortgage to the mortgagor;
- The servicer is current in its payment of the MIP (and late charges and interest on the MIP, if any) to the Secretary;
- The mortgage is not due and payable;
- The servicer has not informed the Secretary of a due and payable event, or the Secretary has been so informed but has denied approval for the mortgage to be due and payable;
- The mortgage is a first lien of record and title to the property securing the mortgage is good and marketable.

In order to ensure these requirements are met, a number of documents are required to be submitted with the assignment request. The following may be used as a checklist for the purpose of ensuring all documents are included, creating a complete package.

Only complete packages will be accepted for assignment consideration. It is time consuming for the servicer's staff as well as HUD's Loan Servicing Contractor staff to place the assignment review in a pending status because required documentation is missing. Incomplete assignment request packages will be returned to the servicer.

### COMPLIANCE PACKAGE

The following lists the documents referred to as the "compliance package". All documents are required to be submitted when the package is sent for assignment consideration. These documents confirm that the loan is in "good standing" and are necessary in ensuring the assignment process can proceed and payments can be made to the borrower.

- Cover Letter including borrower's name, address, FHA Case Number and contact information
- Copy of the Notice of Assignment to Borrower
- Payment History with available Net Principal Limit (IACS must be updated)
- Copy of current signed payment plan (must match IACS)

- Current Certification of Occupancy
- MIC Certificate (or MU01 screen print from IACS)
- Borrower's checking or savings account information (if applicable)
- Hazard Insurance Declaration Page
- Flood Insurance Declaration Page (if applicable)
- Copy of last paid tax bill, tax receipts or evidence from county that taxes are current, including parcel information
- Verification that special assessments and ground rents, such as Homeowner's Association Fees, are current. Name of Association and contact information required  
[Added 6/17/2009](#)
- Copy of Power of Attorney, Trust or Conservator documents (if applicable)
- Repair set-aside balance (if applicable)

## COLLATERAL PACKAGE

The following lists the documents referred to as the "collateral package". All documents are required to be submitted when the package is sent for assignment consideration. These documents are reviewed to confirm that HUD will assume first mortgage position by way of the recorded assignment to HUD. These documents are reviewed for chain of title, completeness and accuracy:

- Original Note (endorsed to HUD) or original Lost Note Affidavit
- Copy of recorded First Mortgage (original preferred)
- Copies of all recorded intervening Assignments (originals preferred)<sup>1</sup>
- Copy of proposed Assignment to HUD
- Original Title Policy w/Full Jacket (copies of title commitments are not accepted)
- Copy of death certificate if any borrowers are deceased

\* Proposed assignments to correct previously recorded erroneous assignments may be submitted, but the erroneous assignments must be reviewed with the collateral package. HUD will not accept a proposed assignment using POA authority for the previous lender. Example: *XYZ Bank is current lender. Recorded Assignment from ABC Bank to XYZ is incorrect. When XYZ Bank submits package to HUD, they do not include the ABC to XYZ assignment in the package (although it is recorded), but instead send a proposed assignment from ABC Bank (by XYZ Bank as their POA) to HUD.*

## SERVICING PACKAGE

The following lists the documents referred to as the "servicing package". All documents are required to be submitted when the package is sent for assignment consideration. These documents allow for continuity in servicing to the borrower and the ability to respond to loan level requests per RESPA guidelines:

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<sup>1</sup> Proposed assignments to correct previously recorded erroneous assignments may be submitted, but the erroneous assignments must be reviewed with the collateral package. HUD will not accept a proposed assignment using POA authority for the previous lender. Example: *XYZ Bank is current lender. Recorded Assignment from ABC Bank to XYZ is incorrect. When XYZ Bank submits package to HUD, they do not include the ABC to XYZ assignment in the package (although it is recorded), but instead send a proposed assignment from ABC Bank (by XYZ Bank as their POA) to HUD.*

- Copy of original Loan Application and Addendums
- Copy of HUD-1
- Copy of Original Appraisal
- Copy of most recent Flood Insurance Certificate
- Copy of Second Mortgage and Note (originals if available)

## TITLE APPROVAL

### Preliminary Review

A preliminary review will be completed within 2 business days of receipt of a package from the servicer to ensure the loan is in good standing. During this initial review if there are any missing documents or errors the servicer will be contacted and allowed 48 hours to correct the error or provide the missing document(s). If not corrected within that time, the assignment will be denied. The servicer will get an email with the reason for denial. The servicer will need to prepare to make the next payments and the package will be returned.

### Title Review

After a package successfully completes the preliminary review it will move to title review. If any problems are detected at that time, the servicer will get an email identifying the problem and be given 30 days to make the necessary corrections. No extensions will be granted beyond 30 days. If corrections are not made within those 30 days, the assignment will be denied and the package returned to the servicer.

### Notification of Denial

Servicer will receive written notification by fax or email if the title problems were not cleared as stated above. Servicer will receive written notification by fax or email if the loan is not eligible for assignment due to any areas where the borrower is not in compliance with the covenants of the mortgage terms. All documents received will be returned via overnight delivery along with a copy of the denial letter.

### Notification of Approval

Servicer will be issued a preliminary approval letter instructing them to proceed with filing their claim. Servicer should file their claim within 30 days of approval or request an extension. Servicer should then forward original assignment to HUD to the recorder's office for recording. Servicer should forward the recorded assignment to HUD's loan servicing contractor's office once it has been received, but no later than 6 months after the claim has been paid. Per Mortgagee Letter [2001-16](#), if the recorded assignment is not received within 6 months, HUD will bill the servicer for any costs incurred to obtain copies. Upon receipt of the recorded assignment, a final title approval letter will be sent to the servicer acknowledging receipt of the recorded assignment.

HUD encourages servicers to setup a general email address for the assignment approvals and denials to be sent to allow servicers staff to access all assignment issue emails from the Loan Servicing Contractor.

## Inquiries

HUD's loan servicing contractor is responsible for reviewing and responding to assignment requests, with HUD overseeing the process. Inquiries should be made in the following order:

- C&L Service Corporation (CLS) - (877) 622-8525
- Carlos Torres – CLS Loan Administration Manager - (918) 935-2903
- Zena Person – CLS Contract Manager – (918) 935-2901
- Jane Anderson – HUD Government Technical Monitor – (918) 292-8961
- Felicia Jones – HUD Government Technical Representative – (405) 609-8444
- Sally Bene' – HUD Program Director – (918) 292-8957