

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

**Under the assignment option, the servicer has the option of assigning the mortgage to the Secretary if the mortgage balance is equal to 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 is required:**

- **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; and**
- **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.**

## **COMPLIANCE PACKAGE**

The following lists the documents referred to as the “compliance package”. These documents show 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:

- 1) \_\_ Cover Letter (includes borrower’s contact information)
- 2) \_\_ Copy of the Notice of Assignment to Borrower
- 3) \_\_ Payment History with available Net Principal Limit (IACS must be updated)
- 4) \_\_ Copy of current signed payment plan (must match IACS)
- 5) \_\_ Most recent Certification of Occupancy
- 6) \_\_ MIC Certificate (or MU01 screen print from IACS)
- 7) \_\_ ACH Information
- 8) \_\_ Hazard Insurance Declaration Page
- 9) \_\_ Flood Insurance Declaration Page (if applicable)
- 10) \_\_ Tax receipts
- 11) \_\_ Copy of Power of Attorney, Trust or Conservator documents (if applicable)
- 12) \_\_ Repair set-aside balance (if applicable)

## **COLLATERAL PACKAGE**

The following lists the documents referred to as the “collateral package”. 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:

- 13) \_\_ Original Note (endorsed to HUD) or original Lost Note Affidavit
- 14) \_\_ Copy of recorded First Mortgage (original preferred)
- 15) \_\_ Copies of all recorded intervening Assignments (originals preferred)
- 16) \_\_ Copy of proposed Assignment to HUD
- 17) \_\_ Original Title Policy w/Full Jacket (copies of title commitments are not accepted)

## **SERVICING PACKAGE**

The following lists the documents referred to as the “servicing package”. These documents allow for continuity in servicing to the borrower and the ability to respond to loan level requests per RESPA guidelines:

- 18) \_\_ Copy of original Loan Application
- 19) \_\_ Copy of HUD-1
- 20) \_\_ Copy of Original Appraisal
- 21) \_\_ Copy of most recent Flood Insurance Certificate
- 22) \_\_ Copy of Second Mortgage (original if available)

# **TITLE APPROVAL**

Once all the required documents are received, the following process steps are taken:

Package is reviewed within 15 business days of receipt

Curable deficiencies are presented to the servicer via email  
Servicer will then have 30 days to correct the deficiency  
Servicer may request up to two additional 30 day extension

## **Notification of Denial**

Written notification will be faxed if the request was denied and the deficiency cannot be cured.

Servicer will receive written notification if efforts to cure were unsuccessful and/or the deficiency was not cured within the allowable timeframe.

All documents received will be returned via overnight delivery along with a copy of the denial letter.

## **Notification of Approval**

Servicer will be issued an 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;

Upon receipt of the recorded assignment, a final title approval letter will be sent to the lender acknowledging receipt of the recorded assignment.

# **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 Corp/Morris-Griffin Corp. (CLS/MGC) - (866) 377-8667**

**Carlos Torres – CLS/MGC First Mortgage Supervisor - (918) 551-5304**

**Zena Person – CLS/MGC Contract Manager – (918) 551-5301**

**Jane Anderson – HUD Government Technical Monitor – (918) 292-8961**

**Felicia Jones – HUD Government Technical Representative – (918) 292-8958**

**Sally Bene' – HUD Program Director – (918) 292-8957**