

## Summary of SFDMS Reporting Changes Announced in or after Mortgagee Letter 2006-15

### **I. Reminders of existing, unchanged reporting requirements**

Accuracy of the OUI date reported is important because HUD will now use the OUI date to track the severity of a delinquency.

### **II. Changes requiring mortgagee action**

1. Report all accounts that are 30 days delinquent as of the last day of the month. Beginning with the October 2006 reporting cycle, due to HUD no later than 5<sup>th</sup> business day of Nov. 2006.
2. Mortgagees are not barred from submission of delinquency data throughout the month. However, early or late submissions may result in the data being incorrectly identified by HUD as representing the status for a wrong reporting cycle.
3. Mortgagees must begin **every** new delinquency episode by reporting Status Code 42.
4. Updated Delinquency/Default Status (DDS) Codes (see Parts IV, V, and Master List).
5. Mortgagees will not be considered non-compliant for using DDR Code 31, Unable to Contact Borrower, when the specific reason for delinquency/default is unknown on a mortgage that is less than 90 days delinquent.
6. Multiple status code reporting in the same month will be accepted.
7. Separate status codes are available to identify the type of bankruptcy action filed and the status date will identify the date of the bankruptcy filing (See Part V).
8. Mortgagees are expected to retrieve on-line error reports and submit any necessary corrections by the fifth business day.
9. New "R4" fatal error code will reflect when the OUI reported is not logical for the case in question.
10. Mortgagees will need to report Status Code 22 (Loan Transfer) notifying SFDMS that there was a transfer in servicing. (This is required of both sending and acquiring lenders).
11. When using occupancy status code 3, known to be vacant, mortgagee must provide the date that the mortgagee determined the property became vacant.

### **III. Changes not requiring mortgagee action**

1. HUD will provide an on-line error report via the FHA Connection the next business day following receipt of delinquency data via Electronic Data Interchange (EDI) transmission.
2. Transaction Sets 824 provided by EDI will continue, but HUD will no longer issue/mail the "Confirmation Letters" and SFDMS Error Reports.
3. Enhanced interface between the SFDMS and HUD's Insurance-In-Force system (A43) via FHA Connection that will automatically populate the following fields on new case entry: Mortgagor name, Social Security Number (SSN), Co-mortgagor name, Co-mortgagor SSN, street address, city, state, zip code and first payment to principal and interest.

**IV. Updated Delinquency/Default Status (DDS) Codes – Definition Changes**

1. Status Code 09 will be used to identify accounts where Special Forbearance agreements have been executed (whether type I or Type II), regardless of payment level.
2. Effective with Mortgagee Letter 06-15, Status Code 12 will be used to identify all other repayment agreements with the mortgagor(s), regardless of payment level. Effective with ML 09-39, can be used through December 2009 reporting cycle to report an FHA-HAMP Trial Payment Plan.
3. Status Code 20 will be used if the mortgagor reinstated on his or her own (including a refinance) that do not involve any loss mitigation claim.
4. Status Code 21 will be used to identify if the loan reinstated as a result of a sale of the property using a loan assumption.
5. Status Code 25 (cancel) to correct a code previously reported in error. The correct status code should then be reported to ensure that HUD has the correct status of the loan.

**V. Added Delinquency/Default Status (DDS) Codes**

1. Status Code 98 will be used to identify if the reinstatement was at all aided by the use of a loss mitigation tool (special forbearance, modification, or partial claim).
2. Status Code 1A when the foreclosure sale is held,
3. Status Code 1G when eviction takes place, and
4. Status Code 77 when the foreclosure deed is recorded.
5. Status Code 65 Mortgagor filed petition of bankruptcy under Chapter 7.
6. Status Code 66 Mortgagor filed petition of bankruptcy under Chapter 11.
7. Status Code 67 Mortgagor filed petition of bankruptcy under Chapter 13.
8. Status Code 59 Mortgagor filed petition of bankruptcy under Chapter 12.
9. Status Code 69 Bankruptcy Plan Confirmed.
10. Status Code 76 Bankruptcy Court Clearance Obtained.
11. Status Code AO Ineligible for Loss Mitigation.
12. Effective with ML 09-39, Status Code 39 will be used to identify that borrower was approved for an FHA-HAMP trial modification payment plan.
13. Effective with ML 09-39, Status Code 41 will be used to indicate that borrower was approved for an FHA-HAMP loan modification and partial claim, after successful completion of the Trial Modification payment plan.

**VI. Dropped Delinquency/Default Status (DDS) Codes**

1. Status Code 19, Partial Reinstatement.
2. Status Code 39, pre-claim enrolled (this code not used per ML 06-15; code reinstated with new definition per ML 09-39 – see V 12, above).
3. Status Code 41, supplemental pre-claim (this code not used per ML 06-15; code reinstated with new definition per ML 09-39 – see V 13, above).
4. Status Code 43, foreclosure started.
5. Status Code 45, foreclosure completed.

## *Delinquent/Default Status Codes (DDS)*

<i>Status Code</i>	<i>acct_flag<sup>1</sup></i>	<i>HUD Definitions: DDS Code</i>	<i>use category<sup>2</sup></i>
19	remove	Partial Reinstatement	removed per ML 06-15
39	remove	Preclaim - Enrolled	removed per ML 06-15
41	remove	Supplemental Preclaim	removed per ML 06-15
43	remove	Foreclosure Started	removed per ML 06-15
45	remove	Foreclosure Completed	removed per ML 06-15
24	AD	Government Seizure	existing
31	AD	Probate	new per ML 06-15
32	AD	Military Indulgence	existing
34	AD	Natural Disaster	new per ML 06-15
42	AD	Delinquent	existing
AS	AD	HUD FC Moratorium	new per ML 06-15
09	AL	Special Forbearance	existing
10	AL	Partial Claim Started	existing
12	AL	Repayment Plan	Definition changed per ML 06-15 and ML 09-39
15	AL	Preforeclosure Acceptance Plan Available	existing
26	AL	Refinance started	existing
28	AL	Modification started	existing
3B	AL	Pre-Qualification for 601	existing
39	AL	FHA-HAMP Trial Modification Plan	New per ML 09-39
41	AL	FHA-HAMP Modification Started	New per ML 09-39
44	AL	Deed-in-Lieu Started	existing
AO	AI	Ineligible for Loss Mitigation	new per ML 06-15
20	AR	Reinstated by Mortgagor Who Retains Ownership w/o LM incentive	existing
21	AR	Reinstated by Assumptor	existing
98	AR	Reinstated after Loss Mitigation intervention	new per ML 06-15
1A	AF	Foreclosure Sale Held	new per ML 06-15
1G	AF	Eviction Completed	new per ML 06-15
68	AF	First Legal Action to Commence Foreclosure	existing
77	AF	Deed Recorded	new per ML 06-15
17	CT	Preforeclosure Sale Closing Plan Accepted	existing
46	CT	Property Conveyed to Insurer	existing
47	CT	Deed-in-Lieu Completed & Conveyed	existing
48	CT	Claims without Conveyance of Title	existing
49	CT	Assignment Completed	existing
13	NC	Paid in Full	existing
29	NC	Charge-off	new per ML 06-15
30	NC	Third Party Sale	existing
73	NC	Property Redeemed	new per ML 06-15
59	AB	Chapter 12 Bankruptcy	new per ML 06-15
65	AB	Chapter 7 Bankruptcy	new per ML 06-15
66	AB	Chapter 11 Bankruptcy	new per ML 06-15
67	AB	Chapter 13 Bankruptcy	new per ML 06-15
69	AB	Bankruptcy Plan Confirmed	new per ML 06-15
76	AB	Bankruptcy Court Clearance Obtained	new per ML 06-15
22	AS	Servicing Transferred or Sold to Another Mortgagee	existing
25	AC	Cancel	existing

<sup>1</sup> Account flags are based on the DDS reported, and are used internally by HUD: AD = active, in default; AL = active with Loss Mit; AF = active, in foreclosure; AI = Ineligible for Loss Mit; AR = del cured; AB = Bankruptcy; NC = closed; CT = closed by claim termination

<sup>2</sup> 'Existing' indicates DDS code in use prior to ML 06-15

## ***Delinquent/Default reason (DDR) codes***

<b><i>use category</i></b>	<b><i>ReasonCd</i></b>	<b><i>DDR Code Definition</i></b>
<i>In use prior to ML</i>		
<i>06-15</i>	01	Death of Principal Mortgagor
	02	Illness of Principal Mortgagor
	03	Illness of Mortgagor's Family Member
	04	Death of Mortgagor's Family Member
	05	Marital Difficulties
	06	Curtailement of Income
	07	Excessive Obligations -Same Income, Including HabitualNonpayment of Debts
	08	Abandonment of Property
	09	Distant Employment Transfer
	10	Neighborhood Problem
	11	Property Problem
	12	Inability to Sell Property
	13	Inability to Rent Property
	14	Military Service
	15	Other
<i>New per</i>		
<i>ML 06-15</i>	16	Unemployment
	17	Business Failure
	19	Casualty Loss
	22	Energy-Environment Cost
	23	Servicing Problems
	26	Payment Adjustment
	27	Payment Dispute
	29	Transfer of Ownership Pending
	30	Fraud
	31	Unable to Contact Borrower
	INC	Incarceration