

ERROR CODES FOR HUD Default Reporting

Reject Notice Codes - (also known as Fatal or Hard errors). Where one of the following errors is found, no further search is made for additional errors. All processing on that case is stopped, the record is rejected by HUD, and needs to be resubmitted because the Reject notice is the only evidence of the lender's failed attempt to report the loan. *NOTE: The user does not receive a Reject Notice Code when reporting to F42D via FHAC, instead, FHAC will return an error message indicating that the data cannot be processed as entered.*

R1 Servicing Mortgagee: Returned when an incorrect/incomplete ten-digit HUD identification number was reported for the servicing mortgagee (EDI element N104). The mortgagee ID is a key index for the SFDMS database and must be valid. Without a correct HUD identification number for the servicing mortgagee, HUD cannot reference where to send the error report and as a result, an error report will not be sent, and the ENTIRE transmission is rejected.

RECOMMENDATION: Prior to submission of each monthly report, ensure the correct ten-digit ID has been provided.

R2 FHA Case Number: Returned when the FHA Case number is missing or incorrect.

TO PREVENT R2 ERRORS: Prior to submission of each monthly report, ensure that the correct FHA Case number has been provided for each account. Lender should check the case status using FHAC's *Servicing | Lender Query By Case Number* or Neighborhood Watch's *Queries | Case Status* function (NW presents some extracted and some live data. Live data includes: current insurance status, termination type, termination effective date and termination process date). Link to NW available from FHA Connection's Single Family Business page.

TO CORRECT R2 ERRORS: Lender should check the case status using FHAC's *Servicing | Lender Query By Case Number* or Neighborhood Watch's *Queries | Case Status* function (Link to NW available from FHA Connection's Single Family Business page). If the case is terminated in error, servicer should contact Insurance Operations staff. Contact information available at www.hud.gov/offices/hsg/comp/premiums/sfdqrep.cfm

R3 Invalid Status Code: According to ML 06-15, dated June 8, 2006, Mortgagees **must** begin every new delinquency episode by reporting Status Code 42. If the servicer has acquired servicing rights to an account already in default, the new servicer can begin reporting by submitting Status Code 22. An R3, coded as ZY-R3 in the EDI TS 824 will be returned when attempting to report a new episode without using a Status Code 42 or 22. An R3, coded as ZX-R3 in EDI TS 824, will be returned when a default status code submitted is not a valid HUD default status code per ML 06-15.

TO PREVENT R3 ERRORS: When reporting a DDS code other than 42, ensure that the default episode is already open. If multiple events per loan are to be sent in one EDI TS264, ensure that if the default is not already open, that the 42 (or 22, if appropriate) is sequenced first. Servicers should check the loan's reported default history in F42D using FHAC's *Delinquent Loan Status Request* page to determine default episode status.

R4 Invalid Oldest Unpaid Installment Date: Correct reporting of the OUI date is imperative, as HUD will calculate the number of months delinquent based on the OUI date and the transaction date (the date the submission is accepted into SFDMS). R4 returned when the oldest unpaid installment reported is:

1. less than the first payment due under the mortgage, or
2. more than 10 years in the past (calculated from the transaction date), or
3. greater than cycle² date plus 3 months when reporting the closeout of an episode (default status codes that are grouped in summary codes AR, CT, or NC, per form HUD-92068-A, dated 10/2006, or ML 06-15, Appendix 1), or
4. greater than the cycle date, when reporting a default status code that indicates the delinquency is still open (summary codes AD, AL, AI, AF, or AB), excluding AC and AS.

Notes: R4.2 modified from 4yrs to 10 years, and R4.3 and R4.4 added, effective 02/12/2007.

TO PREVENT R4 ERRORS: Ensure that the correct OUI date and correct default status code is entered in the transmission.

For episode closeout (summary codes AR, CT, or NC), it is anticipated that the OUI date would be equal to or no more than 3 months later than the transaction date.

For default status codes falling in summary codes AD, AI, AL, AF, and AB, it is anticipated that the account is delinquent, therefore, the OUI date would be less than the transaction date.

TO CORRECT R4 ERRORS: Compare the OUI and default status code as reported in the transmission to the OUI and default status in the servicing system. Resubmit all default data fields for the rejected loan with corrected information.

R5 Invalid Oldest Unpaid Installment Date Format: Correct reporting of the OUI date is imperative, as HUD will calculate the number of months delinquent based on this date and the transaction date. R5 returned when the oldest unpaid installment reported is:

1. Non-numeric (including blank, null, or populated with spaces),
2. the OUI month reported is not within range 01-12.

² Cycle month changes on approximately 8th business day of the month, so March cycle runs from Mar 12 thru April 11, with the majority of March cycle reporting occurring in the first 5 business days of April.

Notes: R5 effective 02/12/2007.

R6 Insurance Status: Returned when the A43/SFIS insurance is in either terminated or in claim terminated status, and a contradictory mortgage status code was submitted. For A43/SFIS claim terminated status, a mortgage status code submitted that is not 17, 46, 47, 48, 49 or 25, would result in a reject code R6-(ZX). For A43/SFIS terminated status, a mortgage status code submitted that is not 13, 29, 30, 73 or 25, would result in a reject code R6- (ZY).

Notes: R6 effective 08/14/2008.

TO PREVENT R6 ERRORS: Ensure that any interim status codes (default status codes that neither open or close a default episode) that need to be reported to SFDMS are reported before the A43/SFIS insurance status is changed from active to terminated or claim terminated.

TO CORRECT R6 ERRORS: Report a default status code 17, 46, 47, 48, 49 or 25 for R6-(ZX). Report a default status code 13, 29, 30, 73 or 25 for R6-(ZY).

Advice Notice Codes – (also known as soft errors). An Advice Notice Code indicates that the data was not provided:*

A1 Property Street Name	C1 Section of the Act (ADP Code)
A2 Property City Name	C2 Occupancy Status Code
A3 Property State Name	C4 Cause of Default Code
A4 Property Zip Code	
B1 Submitting Organization	D1 First Payment Due Date
B2 Mortgage Loan No.	D2 Oldest Unpaid Installment Date *
B3 Unpaid Balance	D3 Mortgage Status Date
B4 Mortgagor Name	D4 Occupancy Status Date
B5 Mortgagor SSN	
B6 Co-mortgagor Name	
B7 Co-mortgagor SSN	

* coding for D2 error has not been modified, so it mirrors R4 and R5.

NOTE: Any case processed where no errors are detected will be identified as a line item on the error report with the default status code last reported by the mortgagee. Therefore if the mortgagee reported a case as Status 42, the line item would show the case as "42." This will allow mortgagee to reconcile their reports.

KEY ITEMS FOR REVIEW PRIOR TO SUBMISSION OF DEFAULT DATA

- 1. Mortgagee Identification.** The 10 digit HUD assigned mortgagee number and the name of the mortgagee must be provided to be accepted by the system.
- 2. Mortgagee Contact Person.** The name and telephone number of a contact person responsible for completing the report is required.

3. FHA/HUD Case Number. The FHA/HUD case number must be entered correctly. This is necessary for the exact identification of the mortgage, for the correct organization and distribution of HUD's SFDMS reports by HUD Field Office, and for accurate default statistics which would otherwise be distorted. All FHA/HUD case numbers are entirely numeric. Hyphens or dashes must not be shown in the FHA case number field. Do not report the check digit. The first 3 digits of all FHA/HUD case numbers assigned since January 1, 1962, represent the local HUD Field Office associated with that mortgage (for geographic summary reports). Also, if any of the digits in a FHA/HUD case number are reported differently in different months, that new number will be reported as a new case and the default rate for both the mortgagee and the HUD Field Office of jurisdiction will reflect an inflated default rate. A copy of the HUD Field Office Codes list to check the accuracy of the first 3 digits, and a copy of the Home Mortgage ADP Codes Chart to check the accuracy of the last 3 digits which represent the Section of the Act under which the insurance was issued is available on FHA Connection under *Single Family Origination / FHA Approval Lists*.

4. Principal HUD Servicing Office (City). Identifies the HUD Office having jurisdiction where the mortgagee's office responsible for servicing is located. NOTE: A mortgagee whose office is located in Raleigh, North Carolina, would indicate Greensboro, North Carolina, as the local HUD Office associated with the entire state. Where HUD has more than one office within a state consider the following example; a mortgagee whose principal office was in Miami, Florida, would indicate Coral Gables, Florida, as that HUD Office has jurisdiction over the Miami area.

5. Mortgage Status. If there has been a change in the servicing mortgagee since the previous cycle, identify the type of change. Valid values:

AS	Servicing Mortgagee Address change
BS	Servicing Mortgagee Name & Address change
NC	No Change
NS	Servicing Mortgagee Name Change

6. Co-Mortgagor Information. Identify the last name, initials, and Social Security Number of the co-mortgagor. Leave blank if there is no co-mortgagor.

7. Occupancy Status and Date. This field reports the type of occupancy as well as the date (if servicer is reporting a vacant status, then the date the property was discovered vacant must be entered). Date is to be entered as CCYYMMDD if using EDI, MMDDCCYY if using FHAC.

8. Unpaid Principal Balance. Round to the next dollar and enter the unpaid principal balance in whole dollars. Do not enter comas or other punctuation. Six positions maximum. Always right justify.

9. Delinquency/Default Reason (DDR). Enter the appropriate three-digit code. Enter all three characters. See ML 06-15, Appendix 2, or form HUD-92068-A (dated 10/2006) for a list of DDR codes.

10. Social Security Numbers. Social Security numbers are important and must be reported for both the borrower and co-borrower (if applicable). They are used to gain access into the CAIVRS System in order to determine a mortgagor's eligibility for federal debt, including new FHA/HUD-insured mortgages and/or assumptions of existing mortgages.

11. Delinquency/Default Status (DDS). An entry is required before a case can be accepted in the SFDMS. See ML 06-15, Appendix 1, or form HUD-92068-A (dated 10/2006) for a list of DDS codes. Per ML 06-15, only a code 42 can be used to open a default episode, or a code 22 by the acquiring servicer (for loans already reported in default by the selling servicer). *NOTE: If an original report of a mortgage as 30 days or more delinquent is not updated to a subsequent code for over a year, this is usually a sign of poor servicing and/or failure to update the report. An exception to this could be when the account is reported as being in bankruptcy.*