**Home Equity Reverse Mortgage Information Technology**

**(HERMIT)**

**HERMIT System Changes – Release 7.81**

**Release Date: 11/16/24**

**Document Date: 11/16/24**

Version 1.0

November 2024

**INTRODUCTION**

The Home Equity Reverse Mortgage Information Technology (HERMIT) software release version 7.81 consists of the following system changes:

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If you have any questions regarding the functionality of the software release, please contact the HERMIT Help Desk at 561-899-2610 or at [servicingsupport@hermitsp.com](mailto:support@hecmsp.com). If you have any policy related questions, please send an email to HUD at [answers@hud.gov](mailto:answers@hud.gov).

# Servicer Related Changes

## Loan: Update to Endorsed Loans when adding a “Disb – Scheduled” Transactions (593276)

System updates have been made related to adding “Disb – Scheduled” on Endorsed loan. The system will permit the user to add a “Disb – Scheduled” Transaction for Loans in Preliminary Title Approval and when the NPL is negative. The system will no longer reduce the # of Remaining Payments below zero for Pay Plan Types Modified Tenure and Tenure when “Disb – Scheduled” is added.

## Claim Type 21 – Deed in Lieu Input Enhancements (591249 590324 593106)

HUD requested multiple changes that impact the way Deed in Lieu information will be populated for Claim Type 21 for Deed in Lieu, including: automatically populate the Claims Worksheet “Deed in Lieu Obtained” checkbox and Block 11b when the “Deed Recorded Date” is completed on the Loss Mitigation – Deed in Lieu timeline; add new claims hard stop validation to require steps from the Loss Mitigation – Deed in Lieu timeline; update Eviction field names on the Disposition Information page, allow the Eviction fields to be selected for claims with Deed in Lieu Obtained box checked, and populate Block 9 for DIL with “**Eviction Completed Date**” to match logic used in Foreclosure claims.

1. CT 21 DIL: Loss Mitigation – Deed in Lieu Timeline step “Deed Recorded Date” to populate fields on the Claims Worksheet.
2. On CT 21 Disposition Information section, the system now automatically checks/selects the “Deed in Lieu Obtained” box when an Active Loss Mitigation – Deed-in-Lieu timeline has step completion date for “Deed Recorded Date”. The checkbox is not editable by the user. To remove the checkbox, the completion date must be removed from the “Deed Recorded Date” step or the Loss Mitigation – Deed in Lieu timeline must be inactivated.
3. On CT 21 Disposition Information section, the field “DIL Completion Date” is now automatically populated with the step completion date from “Deed Recorded Date” on the Loss Mitigation – Deed-in-Lieu timeline. This date is not editable by the user on the Claims Disposition Information page. To remove this date, the completion date must be removed from the “Deed Recorded Date” step or the Loss Mitigation – Deed in Lieu timeline must be inactivated.
4. On CT 21 claim form Part A: General Information section, Block 11b box is automatically checked and date populated with the step completion date from “Deed Recorded Date” on the Loss Mitigation – Deed-in-Lieu timeline. To remove this date, the completion date must be removed from the “Deed Recorded Date” step or the Loss Mitigation – Deed in Lieu timeline must be inactivated.
5. CT 21 DIL: new Claims hard stop validation to Parent Claim that requires Timeline Step “Date Borrower/Estate executed DIL Agreement” to be completed on the Loss Mitigation - Deed in Lieu timeline.
6. If the step is not completed, the following hard stop validation message is displayed: “For DIL claims, complete date is required for step Date Borrower/Estate executed DIL Agreement on the Loss Mitigation – Deed in Lieu timeline.”
7. CT 21 DIL: Eviction fields have been updated to be permitted on CT 21 DIL and Eviction related fields on the Claims Disposition Information page have been renamed.
8. On CT 21 Disposition Information page, the following fields have been renamed:

* From “Eviction Initiation Start Date” to “**Eviction Start Date**”
* From “Eviction Initiation End Date” to “**Eviction Completed Date**”
* From “Is Property Vacant After Foreclosure?” to “**Is there an Eviction?**”

1. Renamed fields “**Eviction Start Date**” and “**Eviction Completed Date**” have been updated to be permitted for CT 21 Deed in Lieu claims.
   1. Field “Is there an Eviction?” applies to both DIL and Foreclosure. The field is defaulted to No. When changed to YES, additional fields are displayed: “Eviction Start Date” and “Eviction Completed Date”
2. CT21 DIL: Block 9 will be populated with the “Eviction Completed Date” when “Is there an Eviction?” is YES (same logic for FCL and DIL).
3. Screen shot of renamed fields:

A screenshot of a computer

Description automatically generated

## Loan: Update Endorsed Case Sub Status Hierarchy (546408)

The case sub-status hierarchy for Endorsed loans has been updated. Case Sub Status “Assignment Denied – Funds Due HUD” is now a higher priority, below only “Insurance Terminated” and above “Bankruptcy/Chapter 13.” “Assignment Denied – Funds Due HUD” is the 2nd highest hierarchy.

## Claim Type 23: Allow Mortgagee Incentive for CT23 Not D&P (592135)

HUD requested the Mortgagee Incentive transaction to be permitted on Claim Type 23 filed without a Due & Payable Date (CT 23 Not D&P).

1. The Transaction “Corp Adv - S305 - Mortgagee Incentive” with Transaction Code 4338 is now permitted for Claim Type 23 Not D&P (when box “Short sale with no Due & Payable” is selected on the CT23 Disposition information page. The “Corp Adv - S305 - Mortgagee Incentive” Transaction Code 4338 does not produce a hard stop validation error, and the claim can be filed.
2. When there is a transaction on the claim which is not allowed for CT 23 Not D&P, the hard stop validation error Message is displayed and states: “Short Sale with no D&P timeline only permits Closing Cost Transactions, MIP, Rental Income, Rental Expense, and Mortgagee Incentive. Please adjust necessary transactions accordingly.”

## Timeline: Assignment Repurchase Enhancements (591049)

The Prior Servicer will be able to access the Claim Steps, Notes, Documents, and Servicing Management page after the Step “HUD Decision – Approved Pre-Repurchase” step is completed.

1. Allow Servicers to access loans with Servicer = 9999909990 (Compu-Link Corporation)

via Assigned/Claims/Search page if HUD/Loan Servicing Contractor has assigned them as the prior servicer on the repurchase. They will be able to complete new servicer steps and upload documents under Repurchase timeline after “**HUD Decision - Approved Pre-Repurchase**” step is completed.

1. Allow Servicers to upload documents. Servicer will not be able to delete documents.
2. Allow Servicer to enter notes. Servicer will not be able to delete documents.
3. Allow Servicers to see the following tabs on the left menu:

* Claim Steps
* Notes
* Documents
* Servicing Mgmt – Read Only

1. Reminder: Servicers do not have access to the Assigned/Repurchase Timeline after any of the following Steps are completed as these Steps Inactivate the Timeline:

* “Servicer Clears Repurchase Issue”
* “HUD Decision – Denied Pre-Repurchase”
* “HUD Decision – Denied Repurchase”

## Accounting: Error Message added to the Accounting > Authorization page (585591)

An Error Message will be displayed when the Servicer tries to Authorize a HUD Advance after the Claim Type 22 has been approved.

1. The system will display an Error message when the Servicer clicks Approve on the HUD Advance Claims Receivable, and the Endorsed > Claim Type 22 – Assignment Timeline has the latest Step “HUD Issued Preliminary Title Approval” completed after the latest Step “Assignment Denied – Funds Due HUD.”
2. The Error message states “The HUD Advance cannot be Authorized as the Claim Type 22 – Assignment Timeline has been Approved.”

# NSC / HUD Related Changes

## Loan: Update Assigned Case Sub Status hierarchy (539470)

The case sub‐status hierarchy for Assigned loans has been updated. Two new case sub statuses “Eviction in Progress” and “Active Repayment Plan” have been added to Assigned Loans.

1. The Case Sub Status “Active Repayment Plan” will be added when the user creates the Assigned > Request > Extension – Property Charge Loss Mitigation Timeline. The hierarchy for Case Sub Status “Active Repayment Plan” will be above Due & Payable and below “Loss Mit/Pre FCL.”
2. The Case Sub Status “Eviction in Progress” will be added when the Step “Refer to Attorney for Eviction” is completed on the Assigned > Foreclosure Timeline. The hierarchy for Case Sub Status “Eviction in Progress” will be above “Foreclosure – Assigned” and below “DIL.”

## Claim Type 22 - Assignment: Welcome Letter Sent step now added and can be printed for Case Sub Status: Bankruptcy (592112)

The “Welcome Letter Sent” Step is now added to the Claim Type 22 Timeline during the nightly job for Case Sub-Statuses “Bankruptcy/Chapter 7” or “Bankruptcy/Chapter 13” for both Endorsed and Assigned loans.

1. For Case Status Endorsed, the Case Sub-Status must be: “CT 22 Preliminary Title Approval”, “Payment Suspended”, “Bankruptcy/Chapter 7”, or “Bankruptcy/Chapter 13.
2. For Case Status Assigned, the Case Sub-Status must be “Loan Active”, “Payment Suspended”, “Bankruptcy/Chapter 7”, or “Bankruptcy/Chapter 13”.

The “Welcome Letter Sent” Step will continue to be completed, and document auto saved when the Assigned Notes > Daily Letters > “Bulk Printing Letters” report is run.

## Timeline: Updates have been made to Endorsed > Request for HUD Advance Timeline and Endorsed > Claim Type 22 – Assignment Timeline. (585281)

The system will auto complete the Step “Assignment Denied/Payoff Issued” on the Endorsed > Request for HUD Advance Timeline and the Step “Assignment Denied – Funds Due HUD” on the Endorsed > Claim Type 22 – Assignment Timeline when certain criteria are met. The Permission around the Step “Assignment Denied/Payoff Issued” have been updated.

1. The Step Group for the “Assignment Denied/Payoff Issued” on the Endorsed > Request for HUD Advance Timeline has been updated to HUD.
2. The Role “HUD NSC Manager” can only add the Optional Step “Assignment Denied/Payoff Issued.” The following Roles will no longer have the permissions to add the Optional Step “Assignment Denied/Payoff Issued”:

* CLS – Cash
* CLS – Cash Supervisor
* CLS – First Mortgage
* CLS – Supervisor/Management
* HUD NSC Staff
* HUD SF Premium Mgr

1. The Optional Step “Assignment Denied/Payoff Issued” will be added and/or completed in HERMIT’s nightly job when certain criteria are met. One of the following criteria must be met in order for the step to be added and/or completed in the Endorsed > Request for HUD Advance Timeline.

* The Step “Assignment Denied – Funds Due HUD” is completed and the Step “HUD Issued Preliminary Title Approval” does not exist on the Endorsed > Claims > Claim Type 22 – Assignment Timeline and today’s date is greater than 30 days from the Complete Date of the Step “Request for HUD Advance Processed” on the Endorsed > Request > Request for HUD Advance Timeline.
* The latest Step “HUD Issued Preliminary Title Approval” does not have a complete date greater than the latest Step “Assignment Denied – Funds Due HUD” complete date on the Endorsed > Claims > Claim Type 22 – Assignment Timeline and today’s date is greater than 30 days from the Complete Date of the Step “Request for HUD Advance Processed” on the Endorsed > Request > Request for HUD Advance Timeline.
* The latest Step “HUD Issued Preliminary Title Approval” does not have a create date time stamp greater than the latest Step “Assignment Denied – Funds Due HUD” create date time stamp when both steps have the same Complete Date on the Endorsed > Claims > Claim Type 22 – Assignment Timeline and today’s date is greater than 30 days from the Complete Date of the Step “Request for HUD Advance Processed” on the Endorsed > Request > Request for HUD Advance Timeline.

1. The Optional Step “Assignment Denied – Funds Due HUD” will be added and completed with a Step Note in HERMIT’s nightly job when the Step “Assignment Denied – Funds Due HUD” does not exist and the Step “HUD Issued Preliminary Title Approval” does not exist on the Claim Type 22 – Assignment Timeline and today’s date is greater than 30 days from the Complete Date of the Step “Request for HUD Advance Processed” on the Endorsed > Request > Request for HUD Advance Timeline.
2. The Step Note will state “The Step has been automatically added by the system to the CT 22 due to Today’s date being greater than 30 days from the Step “Request for HUD Advance Processed” on the Endorsed > Request for HUD Advance Timeline and No Decision has been made on the CT22.”
3. The Step Note added by the system will not be editable by any user.
4. The Step Note will populate in the existing Auto Note once the system adds the Step “Assignment Denied – Funds Due HUD.”

## Timeline: Initiate Assigned Loss Mitigation - Pre-Foreclosure Timeline (590705)

When the Step “Servicer Clears Repurchase Issue” is completed on a Repurchase timeline, an Assigned > Loss Mitigation - Pre-Foreclosure timeline will now be automatically initiated. The “created by” field of the newly created Assigned > Loss Mitigation - Pre-Foreclosure timeline will be set to the user that completed the Step “Servicer Clears Repurchase Issue.” In addition, when a Repurchase timeline is inactivated an Assigned > Loss Mitigation - Pre-Foreclosure will now be automatically initiated. The “created by” field of the newly created Assigned > Loss Mitigation - Pre-Foreclosure timeline will be set to the user that inactivated the Repurchase Timeline.

# Servicer and NSC / HUD Related Changes:

## Notes Page - Edit Function (592774)

The ability to edit Notes on the Loan > Notes page has been modified to only allow notes that have been created by a specific user group to be edited by that group, with the exception of the HUD user group which can edit any note. The text from the original note is retained in the database.

The following user groups will be limited to editing the notes that are created by their user group:

* Lender
* Servicer
* Investor
* HUD Contractor

## Increase Exported Excel to 300k (588801)

A system update has been made to increase the export records to all applicable screens where the user is able to Export Data to Excel with the Export to Excel link. The Excel records have been increased to max 200,000 for the Accounting > Disbursements Search screen. The Excel records have been increased to max 300,000 for the following areas in HERMIT which have the Export to Excel link:

* Loan Search screen
* Notes Search screen
* All Assigned Search and Setup screens (Compliance, Disposition, Request, Foreclosure, Bankruptcy, Release, Claims, and REO)
* All Endorsed Search and Setup screens (Compliance, Disposition, Request, Foreclosure, Bankruptcy, Release, and Claims)
* Certain Accounting screens (Transmittal, Authorizations, and Reimbursements to HUD)
* All Admin Search screens (Alerts, Announcements, Authorized Person, County Clerks, Helpful links, Investor, Lender, Servicer, Master Servicer, Petitioner, Tax Authority, and Vendors)

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