SINGLE FAMILY PREMIUM COLLECTION SUBSYSTEM – PERIODIC (SFPCS-P/A80B)

Release Announcement

Monthly Premiums

Streamline Refunds Implemented

April 22, 2019

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-800

Contents

1 Purpose

The purpose of this document is to explain the changes to Monthly Premiums on the FHA Connection (FHAC) and the Single Family Premium Collection Subsystem – Periodic (SFPCS-P/A80B) that affect the business and system processes of HUD's Single Family Insurance Operations Division (SFIOD) and its business partners. These changes are effective as of April 22, 2019.

2 Streamline Refunds Implemented

The refund request process was streamlined to allow a larger number of cases to be processed at a time and with greater efficiency. Refund requests can now be uploaded using a Microsoft® Excel® spreadsheet for up to 5,000 cases or entered manually for up to 100 cases. Cases that meet HUD's business and format rules are automatically approved (authorized).

2.1 New Spreadsheet Input for Create Refund Request

To upload a Microsoft® Excel® spreadsheet file with a list of case refund requests, the spreadsheet must conform to this format (**Figure 1**):

- Use only the first sheet (Sheet 1) of the spreadsheet file.
- Column A lists the case numbers.
- Column B lists the refund amount.
- Row 1 can contain headings (e.g., Case Number for Column A and Refund Amount for Column B) or can be blank.
- Row 2 begins the list of case refunds.
- Column A must have a *Text* format.
- Case numbers entered in Column A must be 10 digits in length. If the case number has a leading zero, it must be entered and displayed. The case number can be entered with or without the hyphen after the case number prefix (e.g., 123-4567890 or 1234567890).
- The refund amount entered in Column B must have a *Number* format. Do not enter a dollar signor comma. Note: If the amount entered results in more than two digits after the decimal, the refund amount is rounded up to the nearest penny.
- Do not leave a blank row between entries.
- The number of rows with data cannot exceed 5,001.

	A	B
1	Case Number	Refund Amount
2	011-1234567	186.52
3	123-8901234	1022.37
4	371-4567890	98.03
5	561-0123456	45.01

Figure 1: Spreadsheet format example

A **File Format** link was added on the **Create Refund Request** data entry page. When it is clicked, a pop-up page appears with instructions on formatting the spreadsheet (**Figure 2**). The spreadsheet can have up to 5,000 cases.

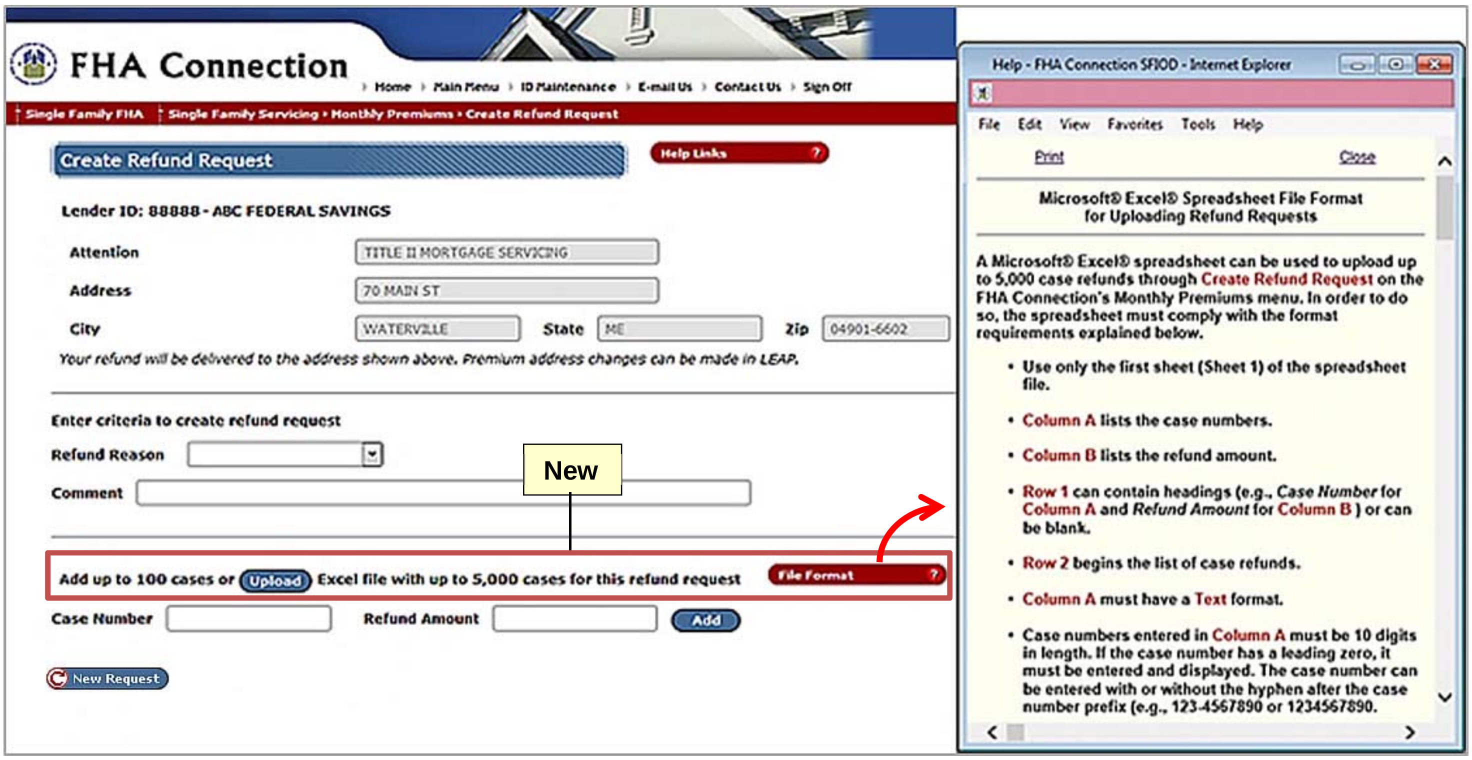


Figure 2: Modified Create Refund Request page with File Format link to spreadsheet instructions

2.2 Uploading a Spreadsheet File

On the **Create Refund Request** data entry page, a new **Upload** button was added for uploading a spreadsheet. When it is clicked, a window appears from which to locate and select the spreadsheet file (**Figure 3**). **Open** is clicked to upload the file.

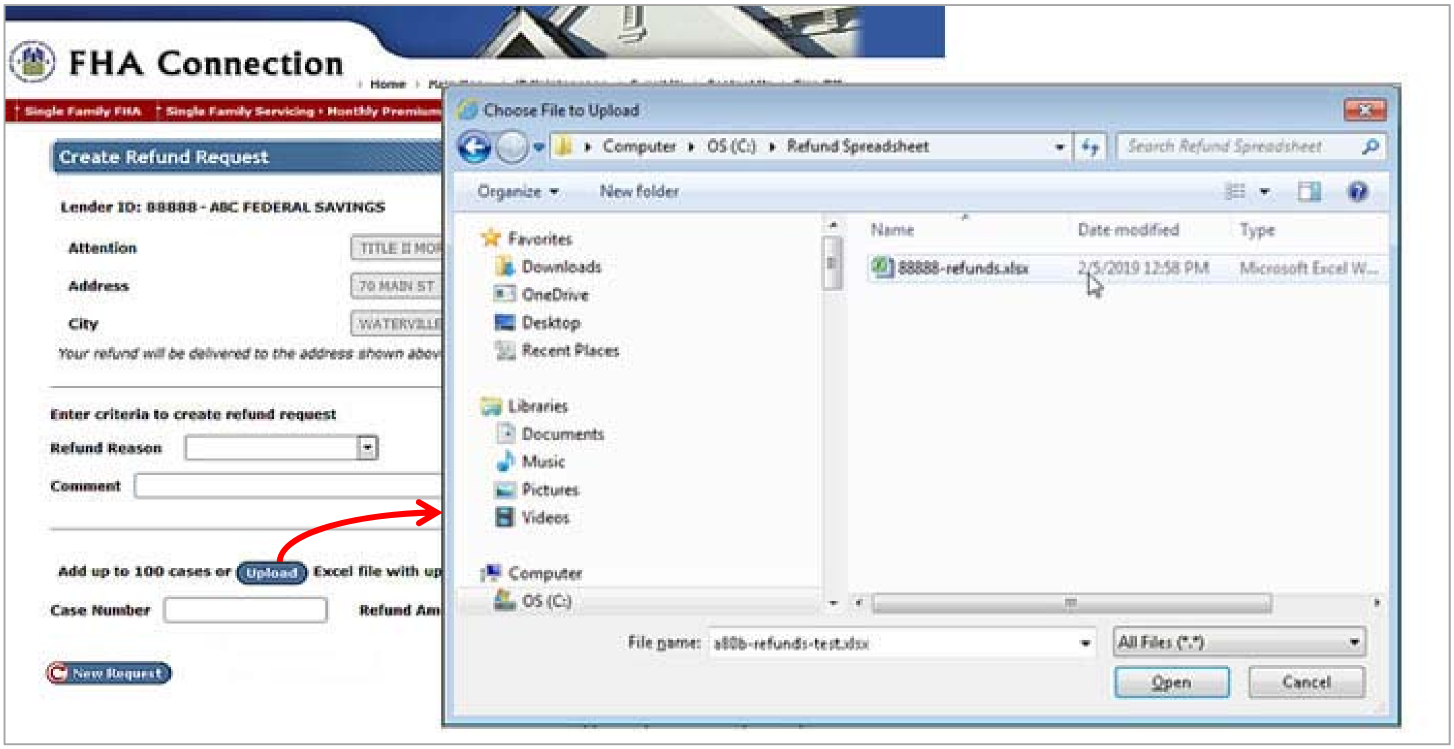


Figure 3: Uploading a spreadsheet file

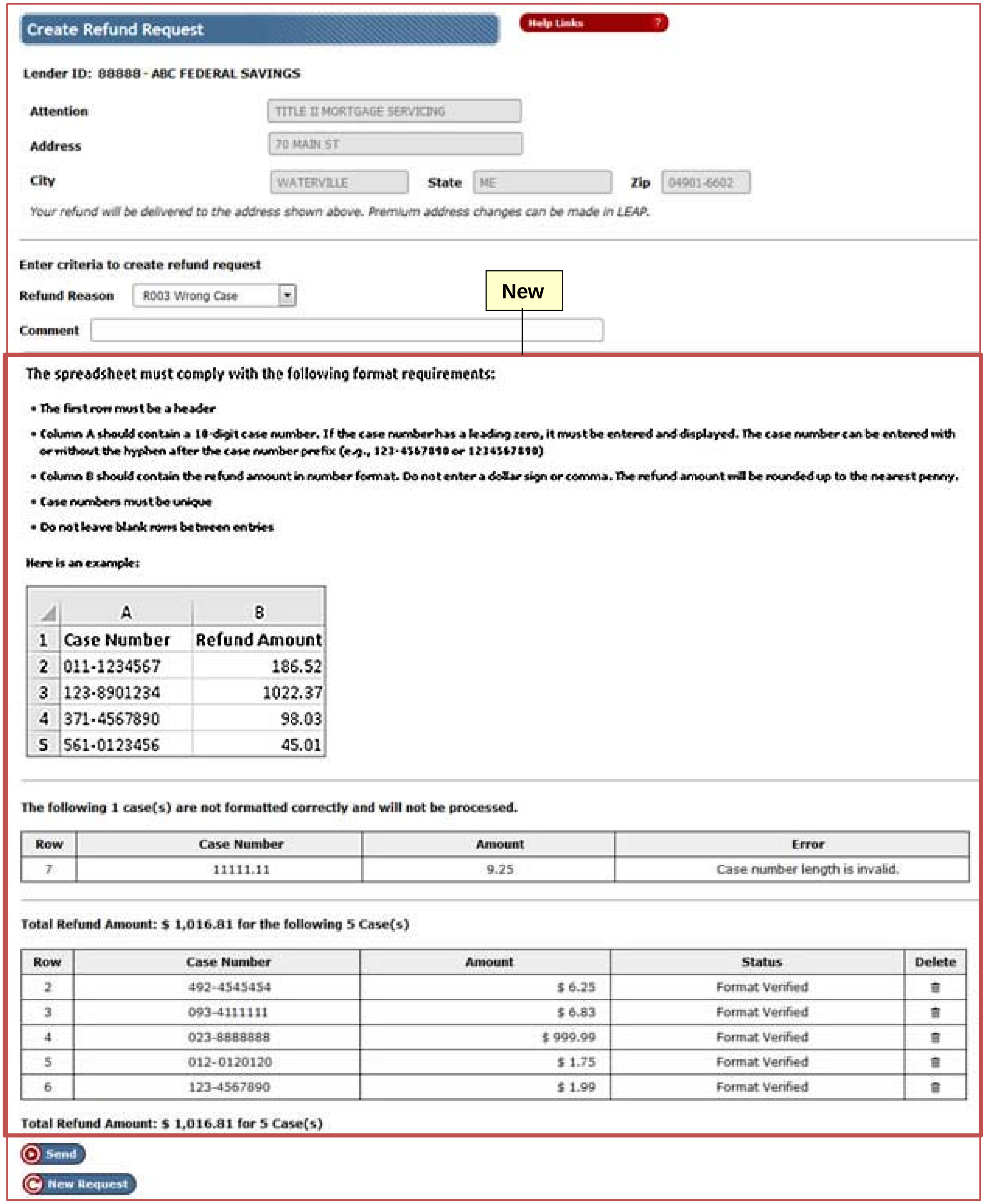
A pop-up error message appears when uploading the spreadsheet file if one of conditions in **Table 1** exists.

Table 1: Spreadsheet Upload Errors

Error Message	Explanation
Excel file does not contain any cases	A blank spreadsheet or a spreadsheet with only headings in Row 1 was uploaded.
Excel file exceeds maximum rows allowed	The spreadsheet has more than 5,001 rows.
Please upload a valid Excel file	The selected file is not a Microsoft® Excel® spreadsheet.
This browser does not support the Excel Upload function	The user must switch to another browser or enter the case refunds manually.

Figure 4: Pop-up error message when uploading a spreadsheet

OK is clicked to close the pop-up error message (**Figure 4**). Once the spreadsheet file is successfully uploaded, any cases that do not meet the required format are listed under the heading: ***The following n case(s) are not formatted correctly and will not be processed*** (**Figure 5**).



Create Refund Request

Help Links ?

Lender ID: 88888 - ABC FEDERAL SAVINGS

Attention: TITLE II MORTGAGE SERVICING

Address: 70 MAIN ST

City: WATERVILLE State: ME Zip: 04901-6602

Your refund will be delivered to the address shown above. Premium address changes can be made in LEAP.

Enter criteria to create refund request

Refund Reason: R003 Wrong Case

Comment:

New

The spreadsheet must comply with the following format requirements:

- The first row must be a header
- Column A should contain a 10-digit case number. If the case number has a leading zero, it must be entered and displayed. The case number can be entered with or without the hyphen after the case number prefix (e.g., 123-4567890 or 1234567890)
- Column B should contain the refund amount in number format. Do not enter a dollar sign or comma. The refund amount will be rounded up to the nearest penny.
- Case numbers must be unique
- Do not leave blank rows between entries

Here is an example:

	A	B
1	Case Number	Refund Amount
2	011-1234567	186.52
3	123-8901234	1022.37
4	371-4567890	98.03
5	561-0123456	45.01

The following 1 case(s) are not formatted correctly and will not be processed.

Row	Case Number	Amount	Error
7	11111.11	9.25	Case number length is invalid.

Total Refund Amount: $ 1,016.81 for the following 5 Case(s)

Row	Case Number	Amount	Status	Delete
2	492-4545454	$ 6.25	Format Verified	
3	093-4111111	$ 6.83	Format Verified	
4	023-8888888	$ 999.99	Format Verified	
5	012-0120120	$ 1.75	Format Verified	
6	123-4567890	$ 1.99	Format Verified	

Total Refund Amount: $ 1,016.81 for 5 Case(s)

Send

New Request

Figure 5: Uploaded spreadsheet is checked for format errors

In the **Row** field, the row number of the case in the spreadsheet is provided. The **Error** field states the data format error (**Table 2**).

Table 2: Spreadsheet Data Format Errors

Error Message	Explanation
Case number length is invalid	Case number must have 10 numbers.
Duplicate case number	The same case number was entered twice in the spreadsheet.
Invalid case number	A letter or special character (other than a hyphen) was entered for the case number.
Invalid refund amount	A zero or an amount over $20,000.00 was entered for the refund amount.
Refund amount not numeric	A letter or special character was entered for the refund amount.

The cases that meet the required format are listed separately with a **Status** of *Format Verified*. A case can be deleted from this list by clicking the icon in the **Delete** field on the row in which the case is located. The total number of *Format Verified* cases and their total refund amount are provided. **New Request** or **Cancel** can be clicked to start again, if necessary. Note: The **Cancel** button appears when more than 23 cases are listed.

When **Send** is clicked, a check is made of the cases listed with a **Status** of *Format Verified* to determine if they meet HUD's business rules. Cases with a format error are not processed and not included in the refund request. The **Create Refund Request [Results]** page appears with a Success message and states: ***You have successfully created n Refund Request(s***) (**Figure 6**).

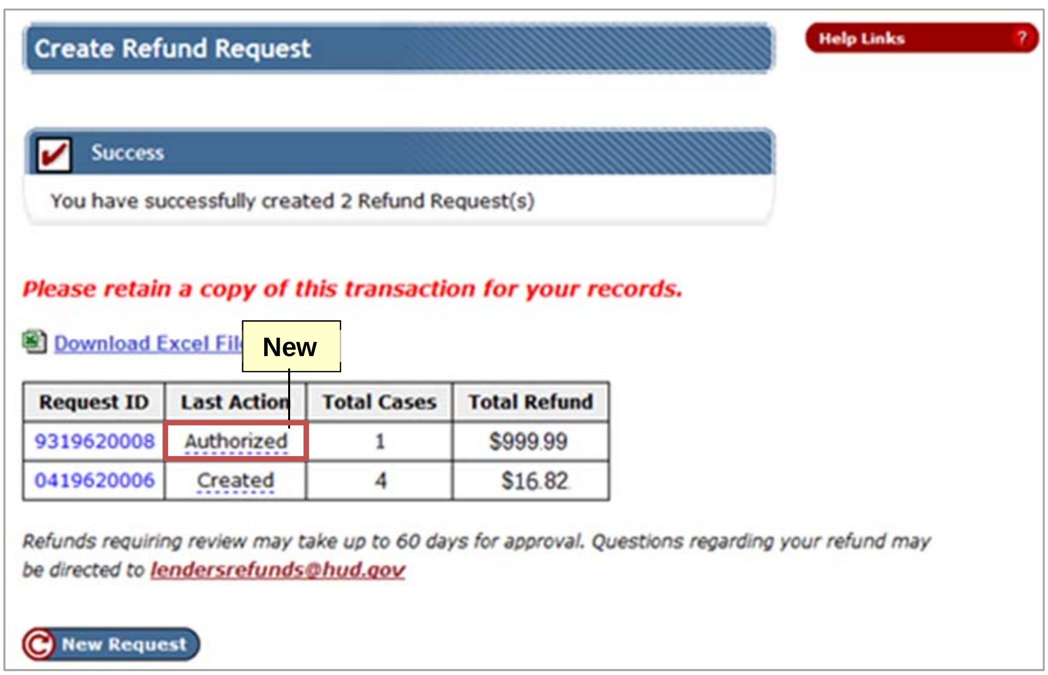


Figure 6: Case refunds are grouped into refund requests

A list of generated refund requests is displayed. The case refunds may be grouped into more than one refund request. The **Last Action** field shows the status of the refund request (**Table 3**).

Table 3: Last Action Statuses for Refund Request Results

Last Action	Explanation
Created	The refund request must be reviewed and authorized or rejected by HUD personnel.
Authorized	The refund request meets HUD's business rules and was automatically approved by the system.
Rejected	The refund request does not meet HUD's business rules and is not approved. **Authorize/Reject Refund Request** and **Refund Status** will show the status as Pending Rejection until the next day when it is changed to Rejected.

On the **Create Refund Request [Results]** page (**Figure 6**), the **Request ID** field shows the unique number assigned to the refund request and the number is clicked to display the **Refund Request Detail** pop-up page (**Figure** 7). **Refund Request Detail** only displays the first 100 case refunds included in the request. It has a new **Download Excel File** link which is clicked to download the details of the entire refund request to a Microsoft® Excel® spreadsheet file.

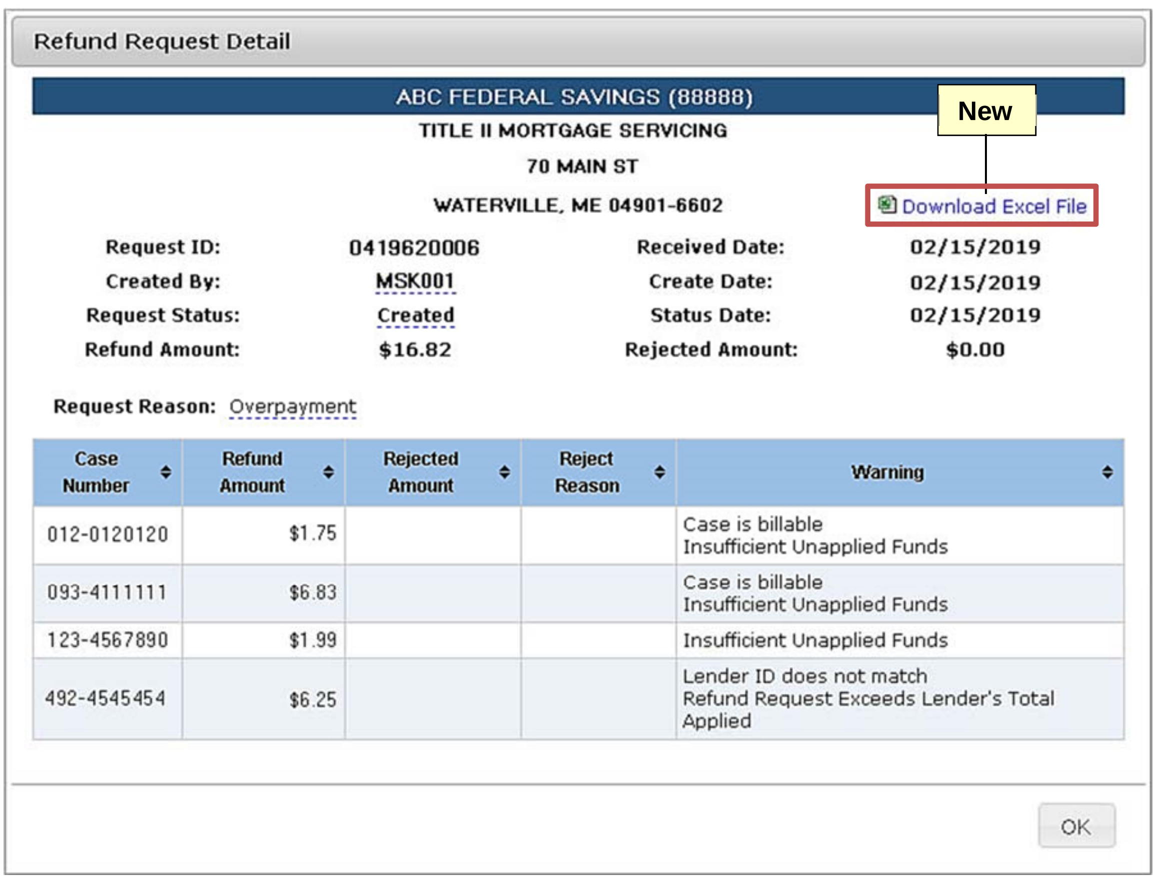
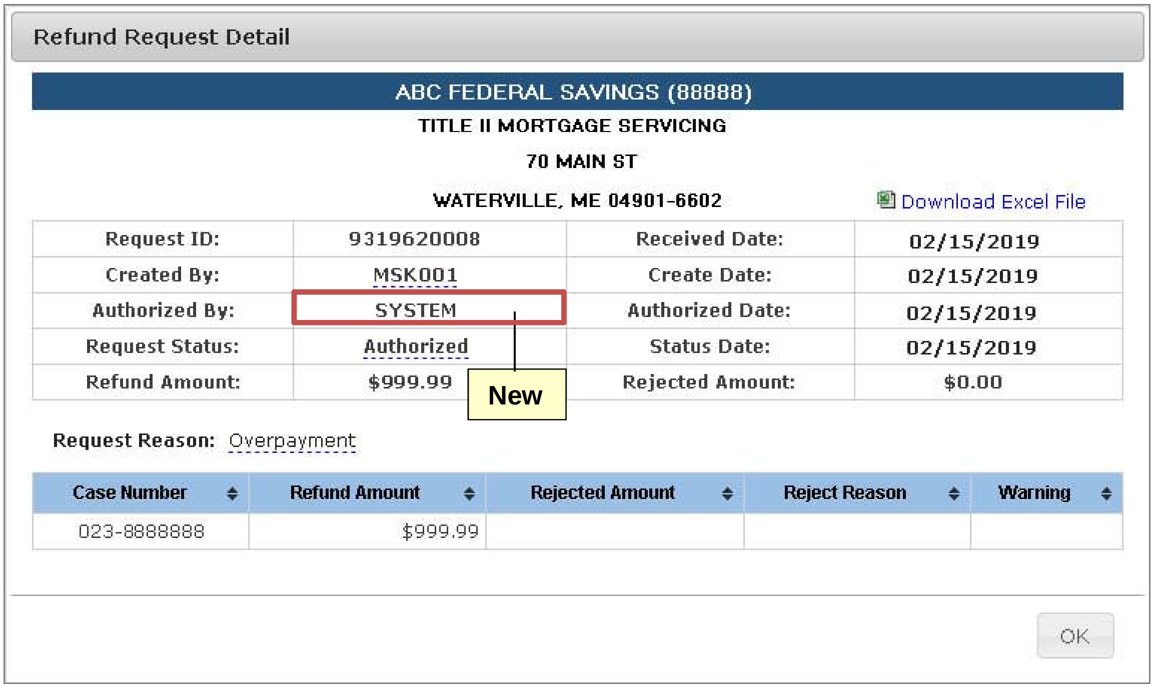


Figure 7: Refund Request Detail with new Download Excel File link

For a refund request that is automatically authorized, **Refund Request Detail** displays *SYSTEM in* the **Authorized by** field (**Figure 8**). The refund request appears on the **Refund Status** list where it can be rejected by the lender, if necessary (see *2.4.1 Rejecting a Refund Request through Refund Status*).


Refund Request Detail

ABC FEDERAL SAVINGS (88888)
TITLE II MORTGAGE SERVICING
70 MAIN ST
WATERVILLE, ME 04901-6602
Download Excel File

Request ID:	9319620008	Received Date:	02/15/2019
Created By:	MSK001	Create Date:	02/15/2019
Authorized By:	SYSTEM	Authorized Date:	02/15/2019
Request Status:	Authorized	Status Date:	02/15/2019
Refund Amount:	$999.99	Rejected Amount:	$0.00

New

Request Reason: Overpayment

Case Number	Refund Amount	Rejected Amount	Reject Reason	Warning
023-8888888	$999.99			

OK

Figure 8: Refund Request Detail with refund request automatically authorized by the system

For a refund request that is automatically rejected, **Refund Request Detail** displays *SYSTEM* in the **Rejected By** field. The rejected refund request appears on both the **Refund Status** and **Authorize/Reject Refund Request** lists with a status of *Pending Rejection*.

Each case within in a *Created* refund request is checked overnight to determine if the case has become eligible for approval/authorization by the system. For example, an update from HUD's Single Family Insurance System (SFIS/A43) processed after the refund request was created can result in the case changing status or increasing the available unapplied amount.

2.3 Manual Input Changes for Create Refund Request

Up to 100 cases can now be manually added to a refund request rather than the former maximum of 10. Cases entered manually are automatically checked against HUD's business rules when being added to the refund request. If there is an error message, the refund does not meet HUD's criteria and cannot be added to the refund request (**Figure 9**). **Table 4** provides a list of the new error messages.

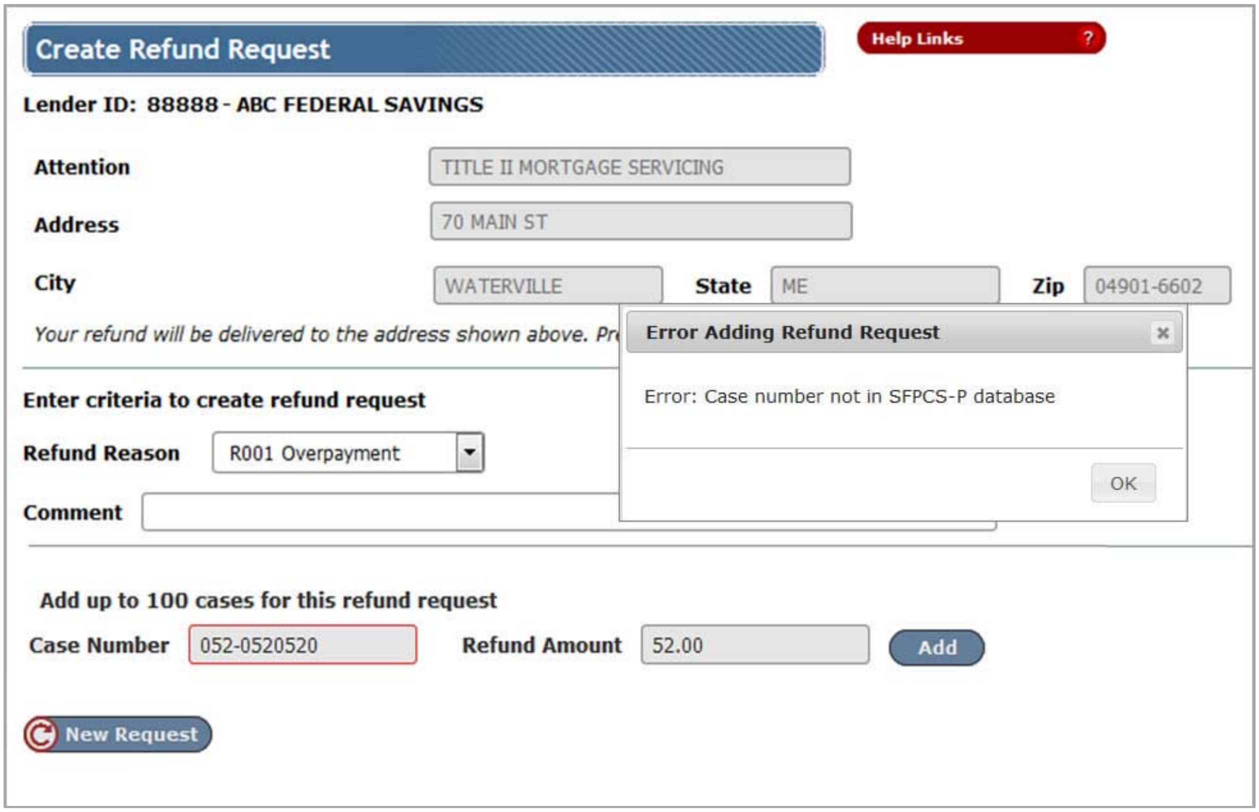


Figure 9: Create Refund Request with an error message when manually adding a case

Table 4: New Error Messages when Manually Adding a Case

Error	Explanation
Case Number is on HUD's Bankruptcy list	The case number is included in HUD's claim for a lender in bankruptcy.
Mortgagee is on HUD's Bankruptcy List	The servicer and/or holder of the mortgage (case) filed a claim for bankruptcy.

There were also changes to existing error messages.

- ***Duplicate refund*** error message was changed to ***Duplicate of refund request ID nnnnnnnnnn*** (the refund request number is now provided).
- The ***Case Number is Invalid*** error message was removed. It was formerly used when the wrong check digit or format was entered for a case. The existing ***Case number not in SFPCS-P database*** error message is now used instead.

If there is a warning message, the refund can be added to the refund request, but it is given a *Pending Review* status and must be reviewed by HUD SFIOD personnel. If there is no error or warning message, the case refund is automatically *Approved* (but is not actually authorized until the data is submitted and processed again). See **Figure 10**.

Table 5 provides a list of the new warning messages.

Table 5: New Warning Messages when Manually Adding a Case

Warning	Explanation
Invalid case with multiple lenders paying on case	There was no record of the case number in the Single Family Premium Collection System – Periodic (SFPCS-P) or Computerized Homes Underwriting Management System (CHUMS) when the payment was received and more than one lender has submitted a payment for the case.
Lender has been a servicer less than 60 days	The case was transferred less than 60 days ago to the lender requesting the refund. The request for a refund may be based on a payment submitted by the former lender servicing the case.
Lender has not paid enough money into this case	The amount of the refund exceeds the amount the requesting lender paid on the case. Payments for the case were made by other lenders. Note: Not applicable if the requesting lender is the holding lender.
Payment did not pass days held threshold	The refund is dependent on a recent payment and that payment must pass a seven-day holding period before the refund request can be created.
Refund amount exceeds refund limit amount	The amount entered in the Refund Amount field for the case is more than $20,000.00. The maximum refund amount for a case is $20,000.00.
The amount being requested exceeds the available unapplied funds on this case. **This may cause late fees to be assessed.**	There are no excess funds on the case from which to draw the refund. Processing this refund will cause a shortage of premium on the case and the case will be assessed late charges in the next billing cycle unless another premium payment covering the shortage is remitted in a timely manner.
Payment did not pass days held threshold	The refund is dependent on a recent payment and that payment must pass a seven-day holding period before the refund request can be created.
Refund amount exceeds refund limit amount	The maximum refund amount for a case is $20,000.00.

Also, ***The Case is active*** warning message was changed to ***The case is billable***.

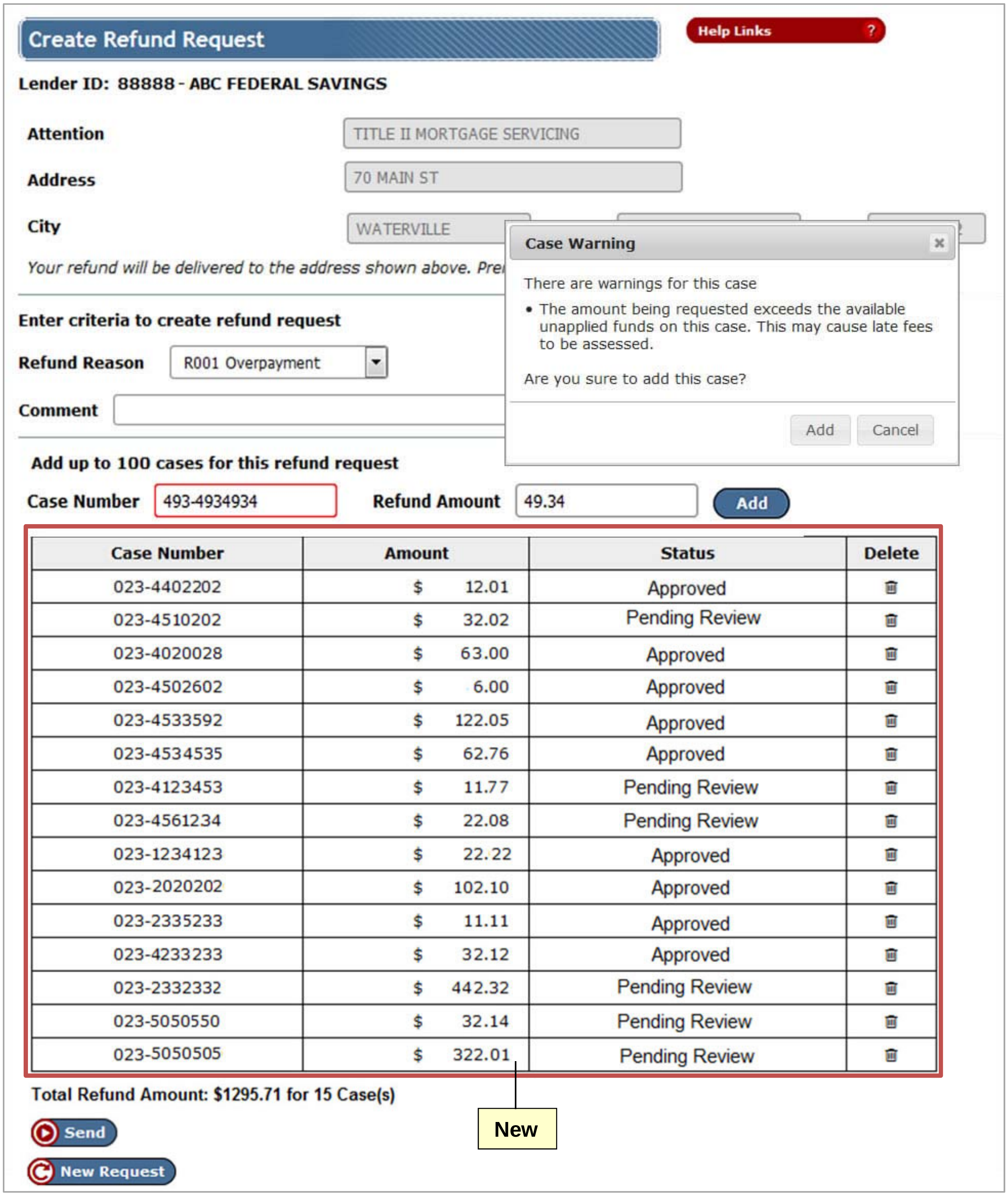
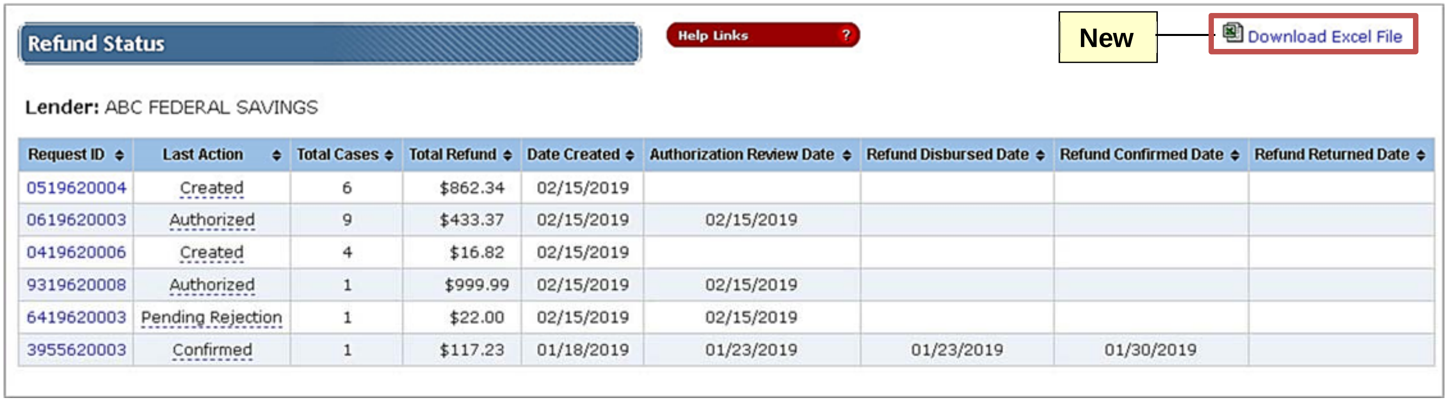


Figure 10: Create Refund Request with warning message and case refund statuses (manual input)

Notes: The **Add** button is no longer displayed after 100 cases are entered. The **Cancel** button appears when more than 23 cases are listed.

2.4 Refund Status Changes

Refund Status was modified to include a link for downloading the list of refund requests to a Microsoft® Excel® spreadsheet file (**Figure 11**).

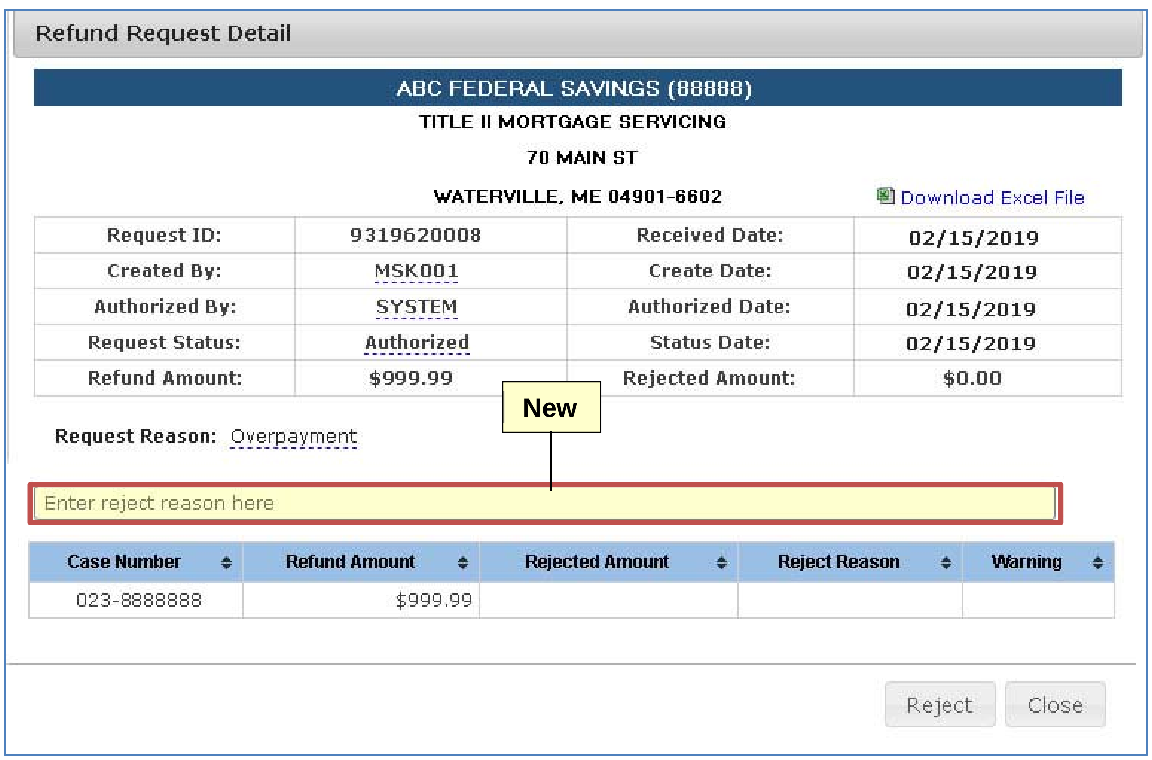


Request ID	Last Action	Total Cases	Total Refund	Date Created	Authorization Review Date	Refund Disbursed Date	Refund Confirmed Date	Refund Returned Date
0519620004	Created	6	$862.34	02/15/2019				
0619620003	Authorized	9	$433.37	02/15/2019	02/15/2019			
0419620006	Created	4	$16.82	02/15/2019				
9319620008	Authorized	1	$999.99	02/15/2019	02/15/2019			
6419620003	Pending Rejection	1	$22.00	02/15/2019	02/15/2019			
3955620003	Confirmed	1	$117.23	01/18/2019	01/23/2019	01/23/2019	01/30/2019	

Figure 11: Refund Status with new Download Excel File link

2.4.1 Rejecting a Refund Request through Refund Status

Lenders now have the ability to reject a *Created* or *Authorized* refund request through **Refund Status**. To reject a *Created* or *Authorized* refund request, the lender clicks the appropriate row on the **Refund Status** list page to display the **Refund Request Detail** pop-up page (**Figure 12**).



Request ID:	9319620008	Received Date:	02/15/2019
Created By:	MSK001	Create Date:	02/15/2019
Authorized By:	SYSTEM	Authorized Date:	02/15/2019
Request Status:	Authorized	Status Date:	02/15/2019
Refund Amount:	$999.99	Rejected Amount:	$0.00

Case Number	Refund Amount	Rejected Amount	Reject Reason	Warning
023-8888888	$999.99			

Figure 12: Refund Request Detail with a new option for rejecting a Created or Authorized refund request

On the **Refund Request Detail** pop-up page (**Figure 12**), the lender enters an explanation for rejecting the refund request in the **Enter reject reason here** field. Then, **Reject** is clicked to reject the refund request. The **Refund Status [Results]** page appears with a Success message and states: ***Request ID nnnnnnnnnn has been rejected*** (**Figure 13**). The details of the rejected refund request are displayed.

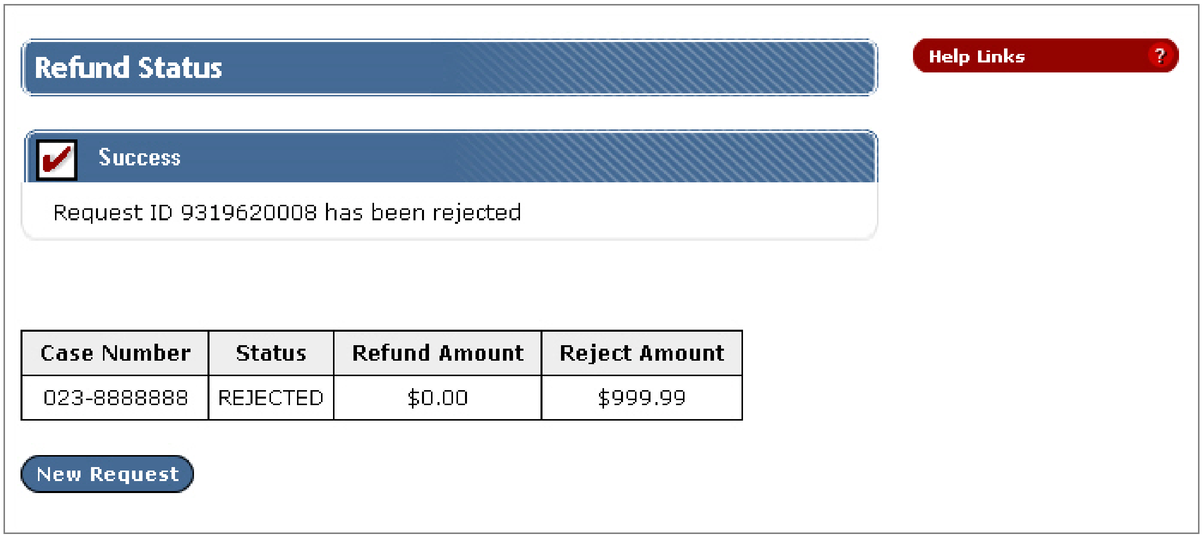


Figure 13: Refund Status [Results] page with refund request rejected by the lender

On the **Refund Status** page, the rejected refund request now has a **Last Action** status of *Pending Rejection* and is changed to *Rejected* the next day.