**Home Equity Reverse Mortgage Information Technology**

**(HERMIT)**

**HERMIT System Changes – Release 7.23**

**Release Date: 05/17/23**

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**INTRODUCTION**

The Home Equity Reverse Mortgage Information Technology (HERMIT) software release version 7.23 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).

## CT22 Assignment Claims: Allow CT22 timeline Setup at 97% MCA with related CT22 timeline step trigger and logic changes (586118 and 586119)

Per Mortgagee Letter – 2023-10, HUD has requested HERMIT be modified to allow CT22 Assignment Claim timelines to be created when the Loan Balance/ UPB is at 97% of the Maximum Claim Amount (MCA) instead of requiring the loan to be at 97.5% of MCA. Changes have also been made to CT22 Assignment Timeline step triggers and validations as mentioned in the summary of changes below. The changes to MCA percentage logic only affects standard / Non-MOE Assignment CT22. Existing CT22 MOE Assignment logic remains unchanged and still bypasses MCA percentage checks.

**Summary of changes:**

* CT22 Timeline Setup / Initiation permitted at 97% of MCA
* CT22 Timeline Step Description change: Confirm loan balance is 97.000% or greater than MCA
* CT22 Timeline step error logic & Message changes:
  + Step “HUD Issued Preliminary Title Approval” removed error if MCA percentage is less than 98%
  + Step “Assignment sent to HUD for recording / Servicer files claim 27011” (Claim Form Filing) updated claim hard stop validation MCA percentage to 98%
* CT22 Timeline Step Trigger Changes *affects all CT22 Timelines going forward*:
  + Step “Original Mortgage/Deed of Trust & Note sent to HUD” is added immediately upon CT22 timeline Setup/Initiation
  + Step “Original Mortgage/Deed of Trust & Note received by HUD” is added immediately upon CT22 timeline Setup/Initiation
  + Step “Assignment to HUD sent for recording/Servicer Files Claim Type 22 - Form 27011” is now added when step “HUD Issued Preliminary Title Approval” is completed
* Data Changes

**Detailed changes:**

1. The changes to MCA percentage logic only affects standard / Non-MOE Assignment CT22. Existing CT22 MOE Assignment logic remains unchanged and still bypasses MCA percentage checks.
2. CT22 Timeline Setup / Initiation permitted at 97% of MCA

* User can now create a new Claim Type 22 – Assignment timeline from the Endorsed > Claims > Setup page when the Loan Balance or UPB is 97% of MCA instead of 97.5%. All other existing validation and error messages remain in place and must be satisfied to successfully set up a CT22 timeline.
* New message: “Loan Balance must be > = 97.000% of the max claim amount”.

1. CT22 Timeline Step Description changed

* Step Description has been updated to replace 97.5% with 97%. New Step Description “Confirm loan balance is 97.000% or greater than MCA”.

**Note:** All Step Descriptions for this step display the new text, even steps on CT22 timelines created before release date.

1. CT22 Timeline step error logic & Message changes:

* Step “HUD Issued Preliminary Title Approval” no longer requires the MCA percentage to be at least 98%. In other words, to complete this step the UPB can be less than 98%.
* Step “Assignment sent to HUD for recording / Servicer files claim 27011” (Claim Form Filing) claim hard stop validation MCA percentage was updated to 98%. In other words, to complete this step, UPB must be at least 98% of MCA.

1. CT22 Timeline Step Trigger Changes affects all CT22 Timelines going forward:

* Step “Original Mortgage/Deed of Trust & Note sent to HUD” is added immediately upon CT22 timeline Setup/Initiation. This step was previously triggered by completion of step “HUD Issued Preliminary Title Approval”. Going forward, this step can be completed any time within the CT22 timeline process.
* Step “Original Mortgage/Deed of Trust & Note received by HUD” is added immediately upon CT22 timeline Setup/Initiation. Going forward, this step can be completed any time within the CT22 timeline process.
* Step “Assignment to HUD sent for recording/Servicer Files Claim Type 22 - Form 27011” is added when step “HUD Issued Preliminary Title Approval” is completed. This step is still completed in the normal manner: by clicking the magnifying glass icon on the step and submitting the Claim Worksheet using the popup modal buttons. To successfully complete this step, validations must pass, including the updated validation that UPB must be at least 98% of MCA.

1. Data Changes

* To account for loans with existing CT22 timelines “in between” the new population of CT22 and the legacy population of CT22 created before this release, the following steps were added to necessary existing Active CT22 timelines to allow the assignment process to be completed:
  + Original Mortgage/Deed of Trust & Note sent to HUD
  + Original Mortgage/Deed of Trust & Note received by HUD
  + Assignment to HUD sent for recording/Servicer Files Claim Type 22 - Form 27011