



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Date: November 19, 2020

Mortgagee Letter 2020-38

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject FHA Catalyst: Claims Module – Expanded Functionality for Conveyance, Single Family Loan Sales, Claims Without Conveyance of Title, and Pre-Foreclosure Sale Claims – and Phased Removal of Social Security Number Collection for Claim Submissions

Purpose This Mortgagee Letter (ML) announces expanded claim submission capabilities in FHA Catalyst for Mortgagees. Following the effective dates outlined below, Mortgagees may utilize the FHA Catalyst: Claims Module to submit all claim types via FHA Catalyst. Additionally, FHA is streamlining the claim filing process by instituting a phased removal of the required collection of Social Security Numbers (SSN).

Effective Date The expanded FHA Catalyst functionalities established in this ML are effective as follows:

Effective November 19, 2020, the FHA Catalyst platform is available for Mortgagees to submit conveyance claims (Claim Type 01).

Effective November 19, 2020, claims submitted via the FHA Catalyst platform will not be required to include a Borrower's SSN as part of the claim submission.

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Effective December 15, 2020, the FHA Catalyst platform is available for Mortgagees to submit Hawaiian Home Land Mortgages (Section 247 Mortgages) claims (Claim Type 02), Insured Mortgages on Indian Land (Section 248 Mortgages) claims (Claim Type 02), Single Family Loan Sale (SLFS) claims (Claim Type 02), Claims Without Conveyance of Title (CWCOT) (Claim Type 06), and Pre-Foreclosure Sale (PFS) claims (Claim Type 07) electronically.

Effective June 30, 2021, no claim submissions, regardless of submission method, will require a Borrower's SSN.

Public Feedback

HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs

This guidance applies to the FHA Title II Single Family forward mortgage program.

Background

HUD previously issued MLs 2020-07, 2020-08, 2020-18, 2020-26, 2020-29, 2020-32, and 2020-35, providing FHA Catalyst functionality for case binder electronic endorsement submission, supplemental claims, loss mitigation home retention claims, post-endorsement loan reviews, the Electronic Appraisal Delivery (EAD) Module, Reacquisition Claims, and Automated Underwriting System. This ML extends the FHA Catalyst functionality to include all remaining claim submission types.

Submission of a claim through the FHA Catalyst platform is optional. Mortgagees remain responsible for proper submission of claims and ensuring they meet FHA's requirements and standards for such submissions. By transmitting a claim via FHA Catalyst, the Mortgagee is certifying that the statements and information submitted are true and correct.

Additionally, HUD is streamlining the claim filing process by phasing out the requirement to submit the Borrower's SSN. This information is already collected during the mortgage origination, endorsement, or conveyance processes. This update will remove duplicative collection of sensitive information.

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Platform Access, User Guide, and Training

Mortgagees may request access to FHA Catalyst: Claims Module via the FHA Resource Center at answers@hud.gov or 1-800-Call FHA (1-800-225-5342).

A user guide for the FHA Catalyst: Claims Module is available at https://www.hud.gov/program_offices/housing/FHACatalyst/claimsmodule which includes instructions for logging in to the module and steps for completing claims.

Training for the FHA Catalyst: Claims Module is available at https://www.hud.gov/program_offices/housing/FHACatalyst/claimsmodule.

Summary of Changes

HUD is establishing a new claim submission method through FHA Catalyst for submission of the following claim types:

- Claim Type 01 - Conveyances in Section IV.A.2.a.iv
- Claim Type 02 - Assignment or Single Family Loan Sale Program
 - Hawaiian Home Land Mortgages (Section 247 Mortgages) Claims in Section IV.A.2.b.i(C);
 - Insured Mortgages on Indian Land (Section 248 Mortgages) Claims in Section IV.A.2.b.ii(C)(1);
 - and Single Family Loan Sales Claims in Section IV.A.2.b.iii(B)
- Claim Type 06 - Claims Without Conveyance of Title in Section IV.A.2.d.iv; and
- Claim Type 07 - Pre-Foreclosure Sale in Section IV.A.2.e.iv.

HUD is also phasing out the collection of the Borrower's SSN as part of the claim submission process.

**Single Family
Housing Policy
Handbook
4000.1**

The policy changes effective **November 19, 2020**, will be incorporated into the referenced sections of Handbook 4000.1 and appear as follows:

Methods of Submission of Claims (IV.A.1.a.vii)

**Changes
Effective
Nov. 19, 2020**

(C) FHA Catalyst: Claims Module

(1) Definition

FHA Catalyst is an online system for Mortgagees to electronically submit claims.

(2) Standard

HUD provides notice of claim types that Mortgagees may file through FHA Catalyst. The Mortgagee may submit conveyance claims (including Deed-in-Lieu (DIL)), Loss Mitigation Home Retention claims, and supplemental claims, which include information found on form HUD-27011, *Single Family Application for Insurance Benefits*, and any relevant supporting documentation, via FHA Catalyst: Claims Module.

The Mortgagee may not use FHA Catalyst for filing Single Family Loan Sale (SFLS) claims, Loss Mitigation Home Disposition Option claims for Pre-Foreclosure Sales (PFS), Property located on Indian Land claims, Hawaiian Home Land claims, and CWCOT claims.

(3) FHA Catalyst Technical Guidance

The Mortgagee may find information on using FHA Catalyst in HUD's guide for the [FHA Catalyst: Claims Module](#).

(4) Application Advice and Error Correction

The Mortgagee may check the status of its claim submission entered in FHA Catalyst: Claims Module through FHAC to determine if it has been denied or requires corrective action.

Mortgagee Letter 2020-38, Continued

Claim Types (IV.A.2)

a. Claim Type 01 – Conveyances

iv. Submission of Claim Form Parts to HUD for Conveyance Claims

(A) Submission of Part A

(1) To HUD

The Mortgagee must submit Part A to HUD headquarters via EDI, FHAC, **FHA Catalyst**, or paper claim.

The Mortgagee must submit Part A no later than two business days after the date the deed to HUD is filed for record or mailed to the recording authority. For paper claims submitted via mail, HUD will consider the submission timely if HUD receives these documents within 10 Days from the date listed in Item 6.

(2) To P260

The Mortgagee must upload into P260:

- a copy of Part A;
- a copy of the deed to the [Secretary of HUD, his successors and assigns](#) (III.A.2.t.iv) filed for record;
- documentation of the [last tax bills paid](#) (III.A.2.t.iii.(B)) to each taxing authority;
- a copy of HUD's letter approving damaged conveyance of the Property under 24 CFR § 203.379(a), if applicable;
- the Mortgagee's certificate that the conditions of 24 CFR § 203.379(b), relating to fire damage, have been met, if applicable; and
- a copy of documentation that will verify that appropriate action was taken to [protect and preserve the Property](#) (IV.A.2.a.ii.(D)).

The Mortgagee must upload these documents no later than two business days after the date the deed to HUD is filed for record or mailed to the recording authority.

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(B) Submission of Parts B, C, D, and E

(1) To HUD

The Mortgagee must submit Part B to HUD headquarters via EDI, FHAC, **FHA Catalyst**, or paper claim. When submitting via **FHA Catalyst** or paper claim, the Mortgagee must also submit Parts C, D, and E.

The Mortgagee must submit Part B within the later of:

- 45 Days after the deed was filed for record or mailed to the recording authority; or
- 15 Days after the Title Approval Date in FHAC, if the claim was filed electronically (or 15 Days after the Title Approval Letter Date if the claim was filed manually).

The Mortgagee must retain Parts C, D, and E in the Claim Review File.

(2) To P260

The Mortgagee must upload into P260:

- Parts B, C, D, and E; and
- required supporting documentation of amounts claimed.

The Mortgagee must upload into P260 Parts B, C, D, and E within the later of:

- 45 Days after the deed was filed for record or mailed to the recording authority; or
- 15 Days after the Title Approval Date in FHAC, if the claim was filed electronically (or 15 Days after the Title Approval Letter Date if the claim was filed manually).

Borrower's Social Security Number (IV.A.1.a.v)

(C) Claims Submitted via FHA Catalyst

For all claims submitted after November 19, 2020, via FHA Catalyst, no Borrower SSN is required.

**Single Family
Housing Policy
Handbook
4000.1**

The policy changes effective **December 15, 2020**, will be incorporated into the referenced sections of Handbook 4000.1 and appear as follows:

Methods of Submission of Claims (IV.A.1.a.vii)

**Changes
Effective
Dec. 15, 2020**

(C) FHA Catalyst: Claims Module

(1) Definition

FHA Catalyst is an online system for Mortgagees to electronically submit claims.

(2) Standard

HUD provides notice of claim types that Mortgagees may file through FHA Catalyst. The Mortgagee may submit conveyance claims (including DIL), SFLS claims, CWCOT claims, PFS claims, Loss Mitigation Home Retention claims, supplemental claims, Insured Mortgages on Indian Land claims, and Hawaiian Home Land Mortgages claims, which include information found on form HUD-27011, *Single Family Application for Insurance Benefits*, and any relevant supporting documentation, via FHA Catalyst: Claims Module.

(3) FHA Catalyst Technical Guidance

The Mortgagee may find information on using FHA Catalyst in HUD's guide for the [FHA Catalyst: Claims Module](#).

(4) Application Advice and Error Correction

The Mortgagee may check the status of its claim submission entered in FHA Catalyst: Claims Module through FHAC to determine if it has been denied or requires corrective action.

Claim Types (IV.A.2)

b. Claim Type 02 – Assignment or Single Family Loan Sale Program

i. Hawaiian Home Land Mortgages (Section 247 Mortgages) Claims

(C) Submission of Claim Form Parts to HUD for Hawaiian Home Land Mortgages

The Mortgagee may only file a claim after:

- the Mortgagee has notified the Department of Hawaiian Home Lands (DHHL) of the Borrower's Default by letter by the 90th Day of Delinquency;
- the Borrower's Default has remained uncured for 180 Days; and
- the Mortgagee has met all regulatory program requirements, including the face-to-face interview and required loss mitigation evaluation.

The Mortgagee must submit form HUD-27011 to HUD via EDI, FHA Catalyst, or paper claim. For EDI submissions, the Mortgagee must submit Parts A and B simultaneously, or via paper claim with all Parts included. For FHA Catalyst submissions, the Mortgagee must submit Parts A, B, C, D, and E. The Mortgagee must retain copies of all Parts of the form HUD-27011 in the Claim Review File.

ii. Insured Mortgages on Indian Land (Section 248 Mortgages) Claims

(C) Submission of Claim Form Parts for Section 248 Mortgages

(1) Submission of Claim Form Parts to HUD

The Mortgagee must submit form HUD-27011 to HUD via EDI, FHA Catalyst, or paper claim. For EDI submissions, the Mortgagee must submit Parts A and B simultaneously. For FHA Catalyst and paper claim submissions, the Mortgagee must submit Parts A, B, C, D, and E. The Mortgagee must retain copies of all Parts of the form HUD-27011 in the Claim Review File.

iii. Single Family Loan Sales Claims

(B) Submission of Claim Form Parts to HUD for SFLS

(1) To HUD

The Mortgagee must submit Part A and Part B to HUD headquarters via EDI or FHA Catalyst. When submitting via FHA Catalyst, the Mortgagee must also submit Parts C, D, and E.

(2) To P260

The Mortgagee must upload into P260:

- a copy of Parts A, B, C, D, and E;
- documentation of the last tax bills paid to each taxing authority; and
- any supporting documentation required by the PSA.

d. Claim Type 06 – Claims Without Conveyance of Title

iv. Submission of Claim Form Parts to HUD for CWCOT

The Mortgagee must submit Parts A and B simultaneously no later than 30 Days after:

- the date the Mortgagee acquired good marketable title;
- the date a third party acquired good marketable title;
- the date the Borrower or other party redeemed the Property;
- the date the redemption period expires; or
- such other date as required by the FHA Commissioner.

When filing via EDI, FHA Catalyst, or FHAC the Mortgagee must submit Parts A and B no later than two Days after the date the form was prepared. When submitting via FHA Catalyst or paper claim, the Mortgagee must also submit Parts C, D, and E.

In all cases, the Mortgagee must also upload into P260:

- all Parts of form HUD-27011;
- the Closing Disclosure or similar legal document for post-foreclosure sales;
- the appraisal;
- appraisal invoices;
- a worksheet reflecting the Mortgagee's application of the CAFMV based on the adjustment provided in the instructions on FHAC; and
- a third-party service fee invoice for auction services; if applicable.

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e. Claim Type 07 – Pre-Foreclosure Sales

iv. Submission of Claim Form Parts to HUD for PFS

The Mortgagee must submit Parts A and B simultaneously to HUD no later than 30 Days after the PFS Closing Date and retain the original Parts in the Claim Review File. If submitting the claim via FHA Catalyst, the Mortgagee must submit Parts A through E.

Mortgagee Letter 2020-38, Continued

**Single Family
Housing Policy
Handbook
4000.1**

The policy changes effective **June 30, 2021**, will be incorporated into Handbook 4000.1 and will eliminate the following section:

Borrower's Social Security Number (IV.A.1.a.v) [This section will be deleted in Handbook 4000.1]

**Changes
Effective
June 30, 2021**

**Paperwork
Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595 and 2502-0600. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

Questions

Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit www.hud.gov/answers.

Signature

Dana T. Wade
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Federal Housing Commissioner