To All FHA-Approved Section 232 Mortgagees

SUBJECT Section 232 Program – Implementation of Pay.gov for Program Fees

Purpose The purpose of this Mortgagee Letter is to announce the implementation of a change in the collection process for Section 232 Program fees for all Section 232 insured projects. Section 232 mortgage insurance is available on mortgages that finance residential healthcare facilities, such as nursing homes, assisted living facilities and board and care facilities. Section 232 Program fees covered by this Mortgagee Letter are:

- Firm Commitment application fees;
- Upfront Mortgage Insurance Premiums (MIP);
- Inspection fees;
- Reopening fees; and
- Transfer of Physical Assets (TPA) application fees.

These fees are collectively referred to as “Section 232 Program fees.”

Annual MIP is not affected and Lenders must use the procedures for the submission of annual MIP established in Mortgagee Letter 2012-16.

Effective Date On November 1, 2014, all Section 232 Program fees must be paid electronically by the Lender directly to Pay.gov, a secure website operated by the U.S. Department of Treasury. Paper checks for payment of Section 232 Program fees will no longer be accepted. Paper checks received after October 31, 2014, for Section 232 Program fees will be returned to the Lender. Lenders may begin using Pay.gov on October 1, 2014.
Process to Submit Section 232 Program Fees to HUD

1. Establishing a User Account

Lenders are to establish their own procedures for creating and submitting Section 232 Program fees to HUD. These procedures will not be dictated by HUD; however, Lenders that are planning to access the Pay.gov public form on a recurring basis may register for a Pay.gov user ID and password through the self-enrollment process. Self-enrolled users can save and submit public forms. Those instructions are found in Chapter 6 and Chapter 8 in the Pay.gov User Guide.

The link to the User Guide is:

https://qa.pay.gov/agencydocs/docs/pg_user_guide.pdf

2. Payment Form on Pay.gov

A Lender must utilize the Healthcare Program Fees form on Pay.gov to pay Section 232 Program fees. On Pay.gov, the Healthcare Program Fees form has been added to the HUD forms section.

The link to the Healthcare Program Fees form is:

https://www.pay.gov/public/form/start/64315063

3. Completing the Form

a) The instructions for completing the Healthcare Program Fees form are:

1. **Transaction Date.** This field is automatically populated by Pay.gov.
2. **FHA Lender Number.** Input the lender’s five digit lender number in the “XXXXX” format.
3. **FHA Lender.** Input the lender’s name up to 200 Characters.
4. **FHA Project Number.** Input the eight digit project number in the “XXX-XXXXXX” format.
5. **Project Name.** Input the project’s name up to 200 characters.
6. **Project City.** Input the name of the city where the project is located.
7. **Project State.** Input the state or commonwealth’s name where the project is located.
8. **Program Type.** Select appropriate program type from the drop down box with the following options: 232 NC/SR, 241(a) on 232, 232(i), 223(f) Refi/Purchase or 223(a) 7 Refi.
9. **Project Type.** Select appropriate Project Type from the drop down box with the following options: Assisted Living, Board and Care or Nursing/ICF. If the project is a mix of Types, choose the predominante Type. (Note: This field can only be completed after the Program Type field is completed.)
10. **Section of the Act.** This field is automatically populated by Pay.gov. (Note: This field will only be populated after the selection of the Program Type and Project Type.)

11. **Fee Type.** Select the appropriate fee type from the drop down box from the following options: Application – Origination, Application – TPA, Inspection, Reopening Fee or Upfront MIP.

12. **Fee Amount.** Input the fee amount.

13. **Fund.** This field is automatically populated by Pay.gov.

A copy of the Pay.gov Healthcare Program Fees form screen is below:

![Healthcare Program Fees Form](image)

*Note: the actual screen does not have the numbers immediately to the left of each input field. The numbers were added on this screenshot to provide instructions in completing the form.*
b) Pay.gov Payment Receipt

After the information is submitted and accepted by Pay.gov, it provides the submitter a receipt of the transaction which includes the 13 fields listed above and a Pay.gov Tracking ID. The receipt confirms that a payment was processed through Pay.gov, but does not confirm that the payment was received. In instances of insufficient funds, Pay.gov will inform HUD that no payment was received.

4. Section 232 Program Fees Payment Documentation

Lenders must now submit a copy of the Pay.gov transaction receipt in lieu of a check as proof of payment of Section 232 Program Fees.

5. Underpayment of Section 232 Program Fees

In the instance that the Section 232 Program fee paid has been underpaid, the Lender must submit the additional amount via the Healthcare Program Fees form at Pay.gov.

6. Program Refunds

All Section 232 Program fees refunds will continue to be refunded by Office of the Residential Care Facilities in accordance with its current procedures.

Customer Service

Lenders should contact Pay.gov for assistance with:

- The use and completion of Pay.gov screens;
- Inquiries regarding online identity verification, especially when the callers have been denied access to Pay.gov; or
- Assistance with problems regarding security (password) administration.

Pay.gov Customer Service may be reached at:

*Phone:* (800) 624-1373 or (216) 579-2112 (this is not a toll free number)
*Fax:* (216) 579-2813 (this is not a toll free number)
*Email address:* pay.gov.clev@clev.fr.org

For all other inquiries, please email your questions to:

232FHPayments@hud.gov
Questions

Questions regarding this Mortgagee Letter may be emailed to 232FHAPayments@hud.gov or by contacting Vance T. Morris in HUD’s Office of Healthcare Programs at (202) 402-2419. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800)877-8339.

Information Collection

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 2502-0605.

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.

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Federal Housing Commissioner