May 11, 2015   **MORTGAGEE LETTER 2015-14**

To	**All Section 242 FHA-Approved Lenders**

SUBJECT	**Implementation of Pay.gov for Hospital Facilities Program Fees**

Purpose	The purpose of this Mortgagee Letter is to announce the implementation of a change in the collection process for Hospital Facilities Program fees for all FHA-insured Hospital Facilities projects. Hospital Facilities Program fees covered by this Mortgagee Letter are:

- Application fees;
- Firm Commitment 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 "Hospital Facilities 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.

This Mortgagee Letter applies only to FHA-insured Hospital Facilities Program loans, and thereby specifically excludes Multifamily Program loans and Section 232 Residential Healthcare Facilities loans.

Effective Date	Beginning on July 1, 2015, all FHA-insured Hospital Facilities 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 Hospital Facilities Program fees will no longer be accepted. Paper checks received after June 30, 2015, for Hospital Facilities Program fees will be returned to the Lender. Lenders may begin using Pay.gov on June 1, 2015.

Process to Submit Hospital Facilities Program fees to HUD

1. Establishing a User Account

Lenders are to establish their own procedures for creating and submitting Hospital Facilities 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 Hospital Facilities Fees form on Pay.gov to pay all Hospital Facility Program fees. On Pay.gov, the Hospital Facilities Fees form has been added to the HUD forms section.

The link to the Hospital Facilities Program fees form is:

https://www.pay.gov/public/form/start/67950582

3. Completing the Form

a) The instructions for completing the 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-XXXXX" 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. The following options are: Section 242, Section 223(f), Section 241 and Section 223(a)(7).

9. **Project Type.** The Project Type will be automatically populated by Pay.gov for users that select Section 242, Section 223(f) or Section 241. For users that select program type Section 223(a)(7), the appropriate Project Type from the drop down box must be selected. Project types for Section 223(a)(7) are either: Refinancing of a loan insured under Section 241 or Refinancing of a loan insured under Section 242.

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.)

11. **Fee Type.** Select the appropriate fee type from the drop down box from the following options: Application; Commitment; Upfront Mortgage Insurance Premium (MIP); Inspection, Reopening, and Transfer of Physical Assets (TPA) Fee.

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

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

A copy of the Pay.gov Hospital Facilities Fees form screen is below:

HUD Office of Hospital Facilities Fees

Before You Begin	1 Complete Agency Form	2 Enter Payment Info	3 Review & Submit	4 Confirmation

HOSPITAL FACILITIES FEES

1	Transaction Date	03/27/2015
2	FHA Lender Number	
3	FHA Project Number	
4	Project Name	
5	Project City	
6	Project State	
(7)	Program Type	⌄
8	Project Type	⌄
9	Section of the Act	
10.	Fee Type	⌄
11.	Fee Amount	
12.	Fund	GFXNN 86x4077
13.		

[PDF Preview]   [Continue]

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 funds have cleared. In instances of insufficient funds, Pay.gov will inform HUD that no payment was received.

4. FHA-insured Hospital Facilities Program Fees Payment Documentation

After June 30, 2015, lenders must submit a copy of the Pay.gov transaction receipt in lieu of a check as proof of payment of Hospital Facilities Program fees.

5. Underpayment of Hospital Facilities Program Fees

In the instance that the fee paid has been underpaid, the Lender must submit the additional amount via the Hospital Facilities Fees form at Pay.gov.

6. Program Refunds

All fee refunds will continue to be processed, after approval by HUD where necessary, by the U.S. Treasury in accordance with its current procedures via a written request made to the jurisdictional field office.

ACH Debit Block

Automatic debits to business accounts may be blocked by a security feature called an ACH Debit Block, ACH Positive Pay or ACH Fraud Prevention Filters. ACH Debit Block works by having an allowed list of ACH Company ID's, thereby enabling debits. The agency identification for the Hospital Facilities Program is:

Agency ID: 8609-0300-28
Form Name: Hospital Facilities Fees

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

Questions

Questions regarding this Mortgagee Letter may be emailed to 242Payments@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 2502-0602.

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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Edward L. Golding
Principal Deputy Assistant Secretary
  for Housing