

Appendix 18: LETTER

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Date \_\_\_\_\_ FHA Case Number \_\_\_\_\_

Loan Number \_\_\_\_\_

Dear (Mortgagor's Name),

As we advised you approximately forty-five days ago, we are transferring your mortgage to the Department of Housing and Urban Development (HUD). THIS LETTER SERVES AS YOUR SECOND NOTICE AND SETS FORTH THE INSTRUCTIONS THAT YOU WILL NEED TO FOLLOW.

Beginning with your next monthly payment which is due on the first of each month you will send to HUD the amount of \_\_ (dollars) \_\_. This is your monthly payment to HUD (it is equivalent to your scheduled monthly principal and interest). You will make checks or money orders payable to the Department of Housing and Urban Development. It is important that you write your name, property address and FHA case number, which is \_\_\_\_ (number) \_\_\_\_, on your checks or money orders, otherwise, HUD may not be able to properly identify your monthly payment. HUD will send you each month a billing statement and self-addressed envelopes. Send your next payment to: Department of Housing and Urban Development, Payment Processing Center, P. O. Box 105652, Atlanta, GA 30348.

We will refund the monies in your present escrow account and any advanced monthly payments shortly after the transfer occurs. Also, we have contacted all third parties, such as, taxing authorities and insurance carriers to inform them that you are responsible for the payment of tax bills and premiums. Your hazard insurance carrier (and flood) has been requested to change the named beneficiary in the mortgagee clause to HUD.

If you have any questions, please contact us at XXX-XXX-XXXX. If you have any questions after the transfer of your mortgage, you should contact the local Office of the Department of Housing and Urban Development. Their address is \_\_ (street or P.O. Box, City, \_\_ State, ZIP) \_\_. The telephone number of the Single Family Loan Management Branch is XXX-XXX-XXXX. You should address all correspondence to the local HUD Office, as the Payment Processing Center in Atlanta, Georgia, is only HUD's banking facility, and any inquiries sent to them will be delayed or may not be answered at all.

We hope these instructions will assist you. PLEASE SEE THE ATTACHED INSTRUCTIONS AND NOTICE.

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TRANSFER OF 221 (g)(4)

SPECIAL INSTRUCTIONS AND NOTICE

PLEASE BEGIN MAKING YOUR MONTHLY PAYMENTS TO HUD. IF YOU DO NOT REMIT YOUR PAYMENT TO HUD, YOU MAY BE CONSIDERED DELINQUENT IF THE PAYMENT IS NOT RECEIVED. YOUR MONTHLY PAYMENT WILL BE APPLIED FIRST TO ANY DELINQUENCY, THEN TO CURRENT INTEREST DUE, WITH THE REMAINDER TO PRINCIPAL. DO NOT SEND

MORE THAN THE AMOUNT DUE UNLESS YOU DESIRE TO REPAY ANY DELINQUENCY, OR TO REDUCE THE PRINCIPAL BALANCE. ANY AMOUNT IN EXCESS OF THIS MONTHLY PAYMENT WILL BE APPLIED AS DESCRIBED ABOVE. YOU WILL RECEIVE A STATEMENT EVERY MONTH UNTIL THE MORTGAGE IS PAID IN FULL.

IN ADDITION, YOU ARE REQUIRED TO HAVE ADEQUATE HAZARD INSURANCE COVERAGE (AND FLOOD INSURANCE IF IT IS PRESENTLY REQUIRED) TO PROTECT HUD'S INTEREST IN THE MORTGAGE. HUD MUST BE THE NAMED BENEFICIARY AND MUST RECEIVE THE ORIGINAL POLICY. YOU ARE RESPONSIBLE FOR THE PAYMENT OF YOUR INSURANCE PREMIUMS WHICH ARE ASSOCIATED WITH THE HAZARD, FLOOD OR OTHER INSURANCE COVERAGE AND TAX BILLS. HUD WILL NOT ESCROW FOR ANY ITEM. YOU ARE ALSO REQUIRED TO VERIFY YOUR PAYMENTS OF HAZARD (AND FLOOD) INSURANCE PREMIUMS AND TAXES WITHIN 30 DAYS AFTER THE DUE DATE BY SENDING COPIES OF THE PAID RECEIPTS TO THE LOCAL HUD OFFICE. HUD RESERVES THE RIGHT TO ESCROW FOR TAXES OR ADVANCE FUNDS TO PAY TAXES IF YOU FAIL TO DO SO. HUD ALSO RESERVES THE RIGHT TO CHANGE ITS SERVICING POLICIES AND PROCEDURES AS THEY RELATE TO YOUR MORTGAGE.