

INSTRUCTIONS TO MORTGAGEES ON HOW TO PREPARE  
MULTIFAMILY DEFAULT STATUS REPORT (Form HUD-92426)

- A. WHEN TO USE/NOT USE FORM HUD-92426. Use this Form for both insured and coinsured mortgages for the purposes shown in Part I, Item 2. Use this Form to report all monetary defaults. Use this Form to report covenant defaults only if you have accelerated the mortgage. If you have not accelerated the mortgage, report a covenant default by sending a letter to the HUD Field Office. Do not use this Form to submit other reports that HUD regulations and administrative instructions require you to submit. These reports are listed below. You must submit two copies of the reports listed below to HUD Headquarters' Office of Multifamily Housing Management and one copy of each to the local Field Office's Director of Housing Management. You should mail the Headquarters' copies by Certified Mail - Return Receipt Requested. These notices include:
1. Notice of Delinquency, (Insured and Coinsured Mortgages). If you do not receive the owner's mortgage payment by the 16th day of the month in which the payment is due, you must notify HUD of the delinquency by the 20th day of the month. Procedures for preparing and submitting this notice are set forth in Mortgagee Letter 83-1.
  2. Notice of Foreclosure (Insured Mortgages Only). Within 30 days after instituting foreclosure proceedings, you must give HUD written notice that you have commenced foreclosure.
  3. Notice of Delays in Starting or Completing Acquisition (Insured and Coinsured Mortgages). If you cannot meet the deadlines for starting foreclosure, as stated in Part IV of this Form, you must report this fact to HUD and explain the reason for the delay. You must also report and explain any delays in completing acquisition, whether by foreclosure or deed-in-lieu.
  4. Notice of Acquisition (Coinsured Mortgages Only). Within 30 days after you acquire title, you must inform HUD of the acquisition.
- B. GENERAL INSTRUCTIONS HOW TO PREPARE THIS FORM. Always complete Parts I and VI. Complete Part II in all instances except when you are reporting a reinstatement. Complete Parts III, IV and V only when applicable.
- C. TIMING OF SUBMISSION
1. Initial Notice of Default. If a default continues for a period of 30 days, you must submit this Form within 30 days thereafter, unless the default is cured. For example, if a mortgagor does not pay the March 1 and April 1 payments, you must submit this Form by close of business April 30. On this initial notice you must attach a

narrative describing:

5/84

Page 2 of 4

---

APPENDIX 28

- a. the cause of the default;
  - b. your assessment of the prospects for reinstatement;  
and
  - c. any discussions you have had with the mortgagor  
regarding the cause of default and any mortgage relief  
or workout arrangements.
2. Monthly Update on Default Status. Use Form HUD-92426 to submit monthly updates on the project's default status. HUD must receive this notice by the last calendar day of each month. Each monthly report must include an update of the narrative you submitted with the initial report.
- a. For projects with fully-insured mortgages, you must continue to submit this Form monthly until the mortgage has been reinstated or you have filed an insurance claim.
  - b. For projects with coinsured mortgages, you must continue to submit this Form monthly until the mortgage has been reinstated or until the month after you have acquired the project. For example, if you acquired the project on August 15, you must submit default notices through September.
- NOTE: You must submit monthly Default Status Reports even if the owner has made all payments required by a temporary payment plan. These notices must report on whether the owner has complied with the terms of any mortgage relief.
3. Notice of Reinstatement. Submit this Form within five calendar days after the mortgage has been reinstated.
4. Notice of Election. Unless the HUD Field Office approves an extension of time, you must submit this Form within 75 days after the date of the default, defined below.
5. Notice of Intention to File a Claim, When you submit your Notice of Election to Assign or Acquire, you must declare in Part V of this Form whether or not you intend to file a claim.
- D. DATE OF DEFAULT (Part II, Item 2). The date of default is the due date of the first unpaid payment, when payments are applied in the order in which they come due. Example: If an owner did not make the May and June payments but did make one monthly payment on July 15th, the July payment would be applied to the

amount due for May and June 1 would be the date of the default.

5/84

Page 3 of 4

---

APPENDIX 28

E. DISTRIBUTION

1. Elections/Withdrawals. Send original and one copy to HUD Headquarters, Office of Multifamily Housing Management. Send one copy to the HUD Field Office having jurisdiction over the project. HUD Headquarters will acknowledge receipt of the form and return one copy to you.
2. All Others. Send original and two copies to the HUD Field Office having jurisdiction over the project. The HUD Field Office will acknowledge receipt of the form and return one copy to you.

5/84

Page 4 of 4

---