
CHAPTER 3 - ROUTINE SERVICING

3-1. GENERAL. HUD's objective is to ensure orderly pay-off of the loan so the borrower can achieve debt-free homeownership. Not all loan installments will be paid in a timely manner and it may take innovative efforts to restore the mortgage to a current status. This goal requires effective controls that include but are not limited to, organization and record-keeping.

A. Organization. The staff that deals with the SHM portfolio is generally in the Loan Management Branch.

- 1) The decisions on workload distribution rest with field office management, using the following guidelines:
 - a. Lines of authority must be clearly understood by all staff.
 - b. Workload distribution must reflect the fact that cash collection goals associated with the SHM portfolio are among the highest of the Department - and depend on adequate numbers and skill of staff.
- 2) Various offices achieve good results by different means; often supported by generalist cross-training in SHM and insured servicing. Types of distribution are:
 - a. geographic distribution of workload
 - b. alphabetical distribution of cases
 - c. procedural assignments - default servicing
 - foreclosure
 - escrow functions
 - section 235
 - mortgagee reviews

B. Record-keeping.

- 1) Automated. A large part of day-to-day record-keeping is done by the SFMNS as it constantly updates mortgagor account records to show receipts, disbursements and the status of individual cases. From this data comes general portfolio data.

Record-keeping also includes putting new data into the SFMNS, as described in the SFMNS User's Guide.

- 2) Manual. Some record-keeping, such as the recordation of collection activities, cannot be done in the SFMNS must be done manually. Such records must be complete and accurate so that at a later date, if necessary, a complete chronology of HUD's servicing can be compiled.

3-2. IDENTIFYING AND ESTABLISHING THE INITIAL LOAN SET-UP

The requirements for establishing various mortgage accounts follow:

NOTE: Instructions for the initial establishment of all accounts in the SFMNS are in the System User's Guide.

A. Assignments Accepted Under the Assignment Program

- 1) The field office must establish the account in the automated SFMNS when the assignment acceptance letter is issued.
- 2) When Form [HUD-27011](#), Single Family Application for Insurance Benefits, Exhibit 3-1, and required attachments are received, the SFMNS must be updated to include tax information and verification of paid-through dates. Any changes to the financial data must be brought to the attention of OFA for correction.

B. Purchase Money Mortgages (PMM). When HUD grants a PMM on the sale of HUD-held property, the Property Disposition Section will give the Loan Management Section the documentation required to establish the mortgage(s) in the SFMNS.

C. Automatic Assignment of Mortgages Pursuant to Section 221(g)(4) of the National Housing Act.

- 1) Mortgagees have the option of assigning FHA Section 221 mortgages to HUD in the 21st amortization year when such mortgages are not in default at the end of 20 years from the date the mortgage was endorsed for insurance. However, any mortgage for which a commitment to insure was issued on or after November 30, 1983, is not eligible for this option.
- 2) Mortgagees must notify the field office at least 30 days before the intended date of assignment. Notification must include sufficient information to allow entry of the account in the SFMNS.

- 3) The field office must establish the account in the SFMNS promptly to begin the billing process and to provide an orderly transfer of servicing. This includes reviewing the escrow requirement and making any necessary adjustments.
- 4) While the mortgagee is required to notify the mortgagor of the assignment, the field office should also send an initial letter to the mortgagor at this notice stage. A sample letter is in Exhibit 3-2.

3-3. BILLING PROCEDURES

- A. The SFMNS automatically bills the borrower monthly. On current accounts, the amount of those bills may change virtually monthly due to the way the system computes the service charge. (Reductions in principal balance reduce and change the service charge.) At loan set-up, the SFMNS issues an account number which must be placed on all payments to ensure application to the proper account.
- B. Mortgagors should be directed to mail all payments to the designated lock box facility.

Mortgagors will be instructed to send payments to the field office only for specific reasons such as:

- 1) The account has not been established in the SFMNS.
- 2) Only after a Notice of Intent to Foreclose has been sent and the mortgagor is attempting resolution.
- 3) Resolution of the default after the case has been formally recommended for foreclosure.
- 4) Section 235 recaptured assistance payments.

Any payments received by the field office must be deposited within one workday after receipt.

- C. If the field office has instructed the mortgagor to mail payments to the office, payments must be identified with an account number and sent to the lock box within 24 hours of receipt. If the account number is unavailable, use the FHA case number.
- D. Cash collections by the field office are discouraged; however, cash cannot be refused. Receipts must be given and the cash converted to a bank draft or money order, which must also be identified by account number and sent to the lock box within 24 hours. Each office should have a designated Cash Collections Officer in accordance with Handbook 1911.1.

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- E. The SFMNS automatically applies excess payments to the principal if an account is current under the mortgage. The field office must notify the OFA Service Center if there is a need for a specific alternative application of payments.

3-4. FEES AND CHARGES.

- A. Like private mortgagees HUD has various fees and charges which are based on the mortgage document.
- B. Currently HUD assesses a service charge in lieu of MIP, interest on tax and other advances, late charges and fees for insufficient funds (NSF) checks. Except for NSF fees, these fees and charges are automatically assessed by the SFMNS. The NSF fees will be applied by OFA.
- C. If a field office wants to waive a previously assessed late charge or have service charge or interest on an advance adjusted, it must contact the OFA Service Center. A waiver should only be granted for exceptional situation where: a payment is not due (suspended payment foreclosure, etc.); there is a special payment arrangement (multiple payments, a due date other than the first of the month etc.); processing errors occurred at the lockbox; if advances were caused by improperly disbursed tax payments.

3-5. PAYMENT OF REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.

Revised procedures will be implemented in the near future. In the interim, refer to SFMNS 85-35, dated December 13, 1985, in Exhibit

3-3.

3-6. ANNUAL ANALYSIS OF ESCROW ACCOUNTS.

Every single family mortgage note account must be analyzed on an annual basis. The analysis will generally be accomplished through SFMNS. In some cases a manual analysis will still be required. Field offices are responsible for the quality of the data on which the analysis will be based.

A. When Will the Analysis Occur?

In general, the month in which the automated escrow analysis will be performed is based on the tax due date for the greatest percent of Secretary-held mortgages in an offices inventory. This date is currently established in the SFMNS for existing accounts based on information provided by Loan Management Branch staff in each local office.

The escrow analysis date is the same for all accounts within an office's inventory and may not be changed without the approval of the Office of Finance and Accounting, Single Family Notes Branch. As new accounts are added to the inventory, Loan Management Branch staff are responsible for establishing this date in the SFMNS. The analysis will be automatically performed on the date entered. A preliminary escrow analysis will be performed approximately 30 days prior to the actual analysis in order to provide field offices with an opportunity to adjust account data.

B. How Will the System Perform the Analysis?

- 1) SFMNS will review tax line items in the System to determine the monthly escrow requirement. The analysis will determine the requirement which will represent one-twelfth of the sum of the total tax requirements during the 12-month period immediately preceding the date of the analysis.
- 2) The preliminary and final analysis will generate two reports --No. 668, Escrow Analysis Preliminary Run, which will allow auditing and correction of the data; and, No. 669, Escrow Analysis Exceptions, which defines the exceptions and tells you what action, if any, you must take. The preliminary analysis will not affect the data on your accounts. Only the final analysis will adjust the accounts where necessary. Copies of these reports will be sent to your office by Headquarters at the appropriate times.
- 3) At new account setup, a "cushion" will be established for each account within the portfolio. The cushion will be equal to one-sixth of the total annual tax requirement. SFMNS will include one-twelfth of this amount as part of the new monthly escrow requirement. The amount of the "cushion" should be adjusted annually to correspond to changing tax requirements.
- 4) The analysis will not take escrow balances or shortages into consideration. Instructions regarding escrow surpluses are contained in the SFMNS Users Guide. A manual escrow analysis must still be performed in conjunction with 235 loan recertifications and loan assumptions.

C. What will Happen as a Result of the Analysis?

After completing the activities set forth above, SFMNS will do the following:

Bills generated after the analysis will reflect any change in monthly payment amount based upon an increase or decrease in the escrow requirement. A message on the bill will indicate a payment increase or decrease. The amount of any change will appear as part of the message.

2) Forbearance Agreements

SFMNS will continue to bill these accounts under the terms of the agreements.

D. Setting Up Tax Records On New Accounts.

The following activities should be performed to establish tax records on a new account. Detailed data entry instructions in the SFMNS Users Guide should be carefully followed as tax data input at new account setup are used to disburse and post taxes as well as to perform escrow analysis.

- 1) Establish an escrow payee record if the name and address of the Taxing Authority (TA) has not previously been entered into the SFMNS and a payee number issued.
- 2) Establish a line item in SFMNS for each type of tax levied against the property by the taxing authority(ies) having jurisdiction over it. If this information has not been provided on the Single Family Application for Insurance Benefits form (HUD-27011), you are responsible for obtaining it.

To properly establish the line item, enter all of the following data: the SFMNS status code; the appropriate SFMNS tax type code; the actual penalty date for the type of tax being paid; the tax term; the property identification number established and issued by the TA; the amount of tax; and the SFMNS payee identification number. For each account, also establish one "cushion" trailer by entering the type of data described above using a tax amount equal to one-sixth (2 months) of the total annual taxes paid on the property.

- 3) Enter the escrow analysis date established for your office.

3-7. DAMAGED PROPERTIES AND HAZARD INSURANCE.

- A. Policy. Assigning mortgagees should be clearly told not to terminate hazard or homeowner's insurance but to assign the beneficiary interest to the Secretary of HUD. The mortgagor remains

securing sufficient insurance. Lack of hazard insurance alone is not, however, sufficient reason to accelerate the mortgage.

- B. Servicer's Responsibility. The servicer should immediately encourage the mortgagor to secure sufficient insurance with the Secretary as beneficiary and to obtain a copy of the insurance certificate for HUD's records.

The servicer should use SFMNS's Loan Monitoring Screen as an alert system for annually reminding mortgagors to secure hazard insurance.

- C. Disposition of Insurance Proceeds. Where a property has incurred a loss due to fire, flood, windstorm, or similarly insurable hazards the following step-by-step procedure must be followed by the field office.

- 1) Determine the extent of the coverage.
 - a. If a total loss has occurred an appraisal of the cost and feasibility of restoration must be made.
 - b. If a partial loss has occurred, then any coinsurance factors must be considered. Separate owner resources may be needed.
 - c. If the mortgagor has failed to take action to make a claim for loss on an insurance policy in force within the prescribed time limits, the field office must make such claim as mortgagee before its right to make such claim ends.
- 2) Determine the intent of the mortgagor to restore in light of the proceeds/resources.
 - a. If the intent and realistic ability exist, then restoration should proceed and mortgage payments may be deferred until the property is habitable. Interest will continue to accrue on the principal.

Many hazard insurance policies provide a temporary shelter allowance. In such cases reduced or deferred payments may not be necessary unless the allowance is not sufficient.

Where hazard insurance proceeds are limited, or do not exist, the mortgagor may be willing and able to secure a loan for the restoration. In such cases the field office should develop, with the mortgagor, a realistic timetable for contracts for restoration to be signed and work commenced. If such a timetable cannot be established then a field office may proceed to b. (below).

- b. If either intent or realistic ability do not exist, ask OFA to apply any insurance proceeds to any outstanding delinquency and then principal and the case placed into an inactive status, unless the proceeds satisfy the mortgage.

D. Loss Draft Checks.

- 1) If damage is less than \$1,000 the field office may endorse and release the insurance proceeds to the homeowners upon presentation of the insurance adjuster's report and a contract for restoration.
- 2) If damage is between \$1,000 and \$5,000, the insurance adjuster's report and contract for restoration must be submitted with the loss draft. In addition:
 - a. The field office must advise the mortgagor and/or contractor in writing that the funds will be released upon completion of the work.
 - b. The field office must retain the loss draft as instructed in HUD Handbook 1911.01, Handling and Protecting Cash and Other Negotiable Instruments.
 - c. When the work is complete, a HUD representative must inspect the property and verify completion.
 - d. Release of the HUD-endorsed loss draft must not be made to either the mortgagor or contractor without written authorization of the other party.
 - e. Contractors to whom direct release is anticipated, must be required by the field office to submit a Waiver of Lien Certificate and Satisfaction/Completion Certificate from the mortgagor.
- 3) If damage exceeds \$5,000 the contract for restoration should provide for progress payments. These payments must be made upon verified and certified completion of each phase of the restoration. The loss draft check must be deposited locally, with OFA advised to establish an account from which partial payments may be drawn. As each phase is completed the field office will request OFA to prepare a check in the amount of the progress payment.

- 4) Progress payment checks issued by HUD should require endorsement of both mortgagor and contractor.
- 5) If, after the property is successfully restored to protect HUD's security position, residual funds exist the field office should determine whether all or part of the surplus was for lost personal property.
 - a. To the degree that the residual amount was to replace personal property it should be released to the mortgagor.
 - b. To the degree that the residual amount was for structural loss it should be applied to reduce any delinquency. If a delinquency does not exist then the amount shall be returned to the mortgagor.

E. Damaged Properties - Inactive Status.

- 1) Policy. Inactive status removes the responsibility of pursuing debt collection activities that are likely to cost more than they yield. Also, it protects HUD's interest by not incurring more expense (other than possible appraisal costs) or liabilities such as advancing taxes, preservation activities, paying demolition costs, or the costs of property management.

The lien on a mortgage in inactive status continues until the property is sold at a tax sale. If the mortgagor sells the property prior to a tax sale, the mortgage lien will remain on the property. Any payments made must be accepted and applied against any remaining delinquency.

Mortgages should not be placed on an inactive status without the approval of Headquarters if the as-is value of the property is more than \$4,000.

- 2) How to remove SHMs from active debt collection status.
 - a. Determine that a property has been severely damaged by fire, natural disaster, vandalism, mortgagor neglect or when municipal authorities have demolished, or threaten to demolish, the house. This determination should be based upon:
 1. Inspection of the property to assess the cost of necessary restoration.

2. The extent to which insurance will restore the property.

3. The ability and intent of the mortgagor to restore the property.

If the property has been abandoned or the mortgagors' whereabouts are unknown lack of intent is implied.

If the mortgagor can be contacted, establish whether the mortgagors can and will restore the property (see below); and,

4. The inspection suggesting that the value of the property, even in a damaged condition, may be close to HUD's total investment. If this is the case, have a staff or fee appraiser determine the residual fair market value of the property. The aim is to protect HUD's interest. In certain situations that may mean that it makes better financial sense to foreclose, acquire the property, and repair or restore it.

The appraisal fee may be paid by vouchering the Insurance Accounting Division, Control and Reconciliation Section, Office of Finance and Accounting, as services associated with foreclosure, on Standard Form 1034.

- b. If the mortgagor can't or won't restore the property, the field office should review the case pursuant to 3-7 E.2) a.4. in order to determine whether the case should be placed in inactive status.

If the case is in foreclosure, contact the Office of General Counsel (OGC) immediately.

- c. If the mortgagor can and will restore the property, field offices should not place the case into inactive status but may accept partial payments until the property is again habitable. If the mortgage was assigned under the Assignment Program and 36 months has not elapsed since assignment, the payment plan could be changed instead. See Chapter 4.

- d. Simultaneously with placing the case in inactive status:
 1. Send the local taxing authorities written notice that tax bills and assessments go directly to the mortgagor since HUD will no longer advance funds; and,

2. Send the mortgagor written notice (see sample, Exhibit 3-4), by certified mail, of:
 - a. The continuing responsibility to make the mortgage payments (less taxes) to HUD at the lock box even though there will no longer be a monthly bill from the SFMNS;
 - b. The amount of the monthly mortgage requirement;
 - c. The responsibility to pay taxes directly to the taxing authorities;
 - d. The right to appeal the assessment to the taxing authority based on residual value;
 - e. The potential liability for other costs (demolition, personal injury, etc.).
- e. Review the SFMNS Amount Screen to check the balance in the escrow account. If there have been accruals inform the mortgagor they will be used to offset outstanding advances, delinquencies or principal. Simultaneously, instruct OFA to apply the funds to the account.
- f. If there are insurance proceeds but they are insufficient to allow the mortgagor a reasonable prospect of restoring the property or the mortgagor indicates an unwillingness to do so:
 - 1) Identify the proceeds by account number;
 - 2) Secure the mortgagor's endorsement (if necessary); and,
 - 3) Send the proceeds to the lock box.

The SFMNS will automatically apply those proceeds first to any delinquency, and then to the principal balance.

- g. If it becomes necessary to place the case back on an active status the field office must:
 - 1) Secure the most recent tax data from the taxing authority;
 - 2) Establish the amount necessary for escrow needs; and,
 - 3) Reverse those actions cited in Steps d, e and f above.

This should occur, infrequently, when the mortgagor has reconsidered the decision not to restore the property.

Such a reversal should be accompanied by a lump sum payment at least equivalent to the escrow receivables so that HUD will be in a position to pay the next outstanding tax invoice without having to advance that which should have been accrued.

- h. When an inactive case has gone to tax sale notify OFA, Single Family Notes Branch in writing so that the account can be purged from our portfolio.

When a field office believes it wouldn't be appropriate to place a case in inactive status it should suggest the alternatives (mortgage satisfaction, foreclosure, etc.) and document its recommendation for the approval of the Office of Insured Single Family Housing.

Instructions for encoding the SFMNS for inactive status are in the User's Guide and supplementary instructions.

3-8. SALES AND ASSUMPTIONS.

- A. Payoff and Bring-Current Statements. The field office must furnish these on all SHMs--except tor graduated payment mortgages and bulk sale PMM's--upon request of the mortgagor or its authorized agent. Initially, on all "07" accounts, the field office should check LNS2 to determine whether a post-audit has been completed before issuing a pay-off or bring current statement. In doing so, the field office

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is responsible for seeing that the amount for any taxes paid, but not posted, are included and that any taxes scheduled to be paid after the statement is issued are not paid until the status of the payoff or assumption is determined. If it is necessary to pay the taxes, an amended statement must be issued.

The Office of Finance and Accounting (OFA) will furnish statements on graduated payment mortgages and bulk sale PMM's on request from the field office. (See SFMNS User's Guide and related memoranda for calculation procedures and suggested letters.)

B. Payment in Full.

- 1) The field office must:

- Request the mortgagor to remit the payment to the field office.

- On receipt, determine that the remittance will pay the account in full. Resolve discrepancies immediately with the closing agent.
 - If the remittance is correct, clearly mark it with the SFMNS account number and send to the lock box for deposit within 24 hours of receipt. (See SFMNS User's Guide and related memoranda for system adjustments.) The Service Center must be simultaneously notified of the payment in full.
- 2) OFA must: Apply funds to the account and notify the Field that financial transactions have been completed. The field office is responsible for satisfying the mortgage, assuring recordation of the Satisfaction Instrument in those jurisdictions that prescribe this as the mortgagee's responsibility, and sending a completed satisfaction to the owner.

C. Partial Payment on a Bulk Sale PMM for Partial Release of Security.

- 1) If a mortgagor wants to pay off an individual property in the bulk sale PMM package, the field office must furnish a statement of the payoff amount for the property at 110% of the amount of the mortgage attributed to that property, plus any delinquency due on the account.

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- 2) When the payment in full is received and verified as accurate the field office must note on it the account number, FHA case number and bulk sale number before sending it to the lock box for deposit.
- 3) OFA, Single Family Mortgage Notes Branch will establish the new monthly payment after a property has been spun off.
- 4) Instruct the mortgagor to:
- a. send a bill stub with all remittances.
 - b. annotate remittances with the account number, FHA case number and bulk sale numbers.
- 5) The field office must give the mortgagor an executed Partial Release of Security for these individual property releases.

D. Sale with Assumption.

- 1) Assumption with account brought current.
- a. Upon notice of an assumption, the field office must give the

mortgagor a statement of account as mentioned in paragraph 3-8A above, and should request the following:

1. Remittance of the full amount to bring the account current.
 2. Copy of the recorded instrument conveying title.
 3. Sufficient information for identification of the buyer.
 4. Statement from the seller releasing escrow balances to the buyer.
- b. Upon receipt of the remittance and items to effect a transfer, the field office should check the account record to be sure the remittance amount is accurate and resolve any discrepancies immediately. If acceptable, the remittance must be clearly marked with the account number and sent to the lock box for deposit. (See SFMNS User's Guide and related memoranda for system adjustment.)

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2) Request for release from liability.

- a. If the release is warranted, field offices may approve requests for release from liability and substitution of mortgagors or assignment of vendee's interest in a contract for deed. Essentially, this is the HUD-2210.1 procedure.
 - The buyer must be acceptable to the field office in the same manner as if he/she had been the original purchaser.
 - The request must be supported by an Form FHA HUD-92900, executed by the prospective buyer, and a current credit report from the contract source showing acceptable credit data.
 - Evidence that the successor mortgagor assumes and agrees to pay all sums due under the credit instrument must also be included. When the transaction is complete, this evidence must be supplemented by a certified or photostat copy of the deed of conveyance, if it includes the required information or of any other document of record.
- b. When the field office determines that the seller should be assured that he/she will not be held liable for a later deficiency, it may prepare a letter consistent with the form the Exhibit 3-5, that is acceptable to the seller.

Field offices are not authorized to alter either the form or the substance of the letter, and a request for release in any other form must go to the Office of the Assistant General Counsel (Home Mortgage Division).

- c. If an account is delinquent, the field office must not approve a release unless the mortgage will be brought current as a part of the transaction, or Headquarters approves.
- 3) Assumption when account is not brought current.
- a. HUD's interest is best served if the assumptor brings the account current. Assumption can also be in HUD's interest where the account is not brought current.

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- b. In cases involving owner-occupants, where an account is not being brought current as as part of an assumption, the following requirements are to be incorporated in the field office decision regarding the acceptability of the substitute mortgagor in addition to the items indicated in 3-8D 1) a. 2, 3, and 4 above.
 - 1. The field office must secure a significant portion of the delinquency in a lump sum payment; generally this means at least 50% of the delinquency.
 - 2. The assumptor must be willing to enter into a forbearance agreement acceptable to the field office. The payment plan should always require an increased payment so that the entire remaining delinquency is paid in no more than 12 months. Any plan requiring a longer term requires prior approval by Headquarters.
 - 3. The assumptor must demonstrate an ability to meet the financial obligations.
- 4) Assumption without the prior knowledge of the field office. Should an assumption occur without the prior knowledge of the field office, the field office must initially determine if the account is in a current or delinquent status under the mortgage.
- a. If the account is current, the field office need only request that the items indicated in 3-8D 1) a. 2, 3, and 4. above be furnished for account transfer and consult the SFMNS User's Guide and related memoranda for system adjustments.

- b. If the account is delinquent, an immediate determination must be made as to the intent of the parties to the sale to whether the account will or will not be brought current as a part of the sales transaction. If the matter of bringing the account current cannot be resolved by the parties to the sale, the field office must use its best judgment to determine whether to proceed with foreclosure. The field office, after making this determination should consult 3-8D 1) or 3) above as appropriate for guidance.
- c. If the assumptor refuses to bring the account current or to sign forbearance agreement, the field office shall establish a payment plan which provides for the regular mortgage payment and an amount to eliminate the remaining delinquency in a period not to exceed 12 months. The assumptor shall be notified of the plan and the field office shall service it as it would any other delinquent mortgage.

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E. Satisfactions of Mortgage at Less Than HUD's Investment.

NOTE: WRITE-OFFS ARE ONLY PERMISSIBLE AT MORTGAGE PAYOFF.
WRITE-OFFS MAY NOT BE MADE ON ACTIVE MORTGAGES OR AT
TIME OF ASSUMPTION.

- 1) The following issues must be considered in deciding whether to write off a shortage.
 - a. Was the shortage caused as a result of HUD's (or its agent's) error? If the mortgagor or his agent was at error, HUD should not write off.
 - b. Has the field office attempted to collect the shortage from the mortgagor?
 - c. Has the mortgagor benefited from a HUD error?
 - d. Has the mortgagor disposed of the property in reliance on the payoff statement from HUD? If title has passed to a new owner and the original mortgagor refuses to pay, the shortage should be considered uncollectible. If the mortgagor has not disposed of the property and the debt is valid, consideration must be given not to satisfy the mortgage until the debt is paid.
 - e. Is the write-off in HUD's best financial interest?
- 2) Amounts under \$500.00

- a. Amounts up to \$500.00 may be written off in the field without prior approval from Headquarters.
- b. The decision to compromise or settle a claim must be based on the facts of the case and must be in the best interest of the Secretary.
- c. Each decision to write off must be supported by a narrative "memo to the file" justifying and explaining how the decision was reached.
- d. A copy of the decision memorandum and all pertinent documentation must be included in the servicing file.
- e. The official with the authority must authorize OFA to write off the amount. This is done by sending a memorandum to the Director, Post Insurance Division (AFMP) in OFA. The original note should be marked "paid in full" or as otherwise appropriate by local law.

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- f. Copies of the memorandum to OFA and the decision memorandum must be sent to the Director, Single Family servicing Division (HSSL) in Headquarters.

3) Amounts over \$500.00

- a. Amounts over \$500.00 require prior approval by Headquarters before they can be written off by the field.
- b. Send the recommendation to the Director, Single Family Servicing Division (HSSL) in Headquarters requesting concurrence in the decision. Include the justification, supporting data and background information.

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Exhibit 3-1.1

Single Family Application
for Insurance Benefits

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GRAPHICS MATERIAL IN ORIGINAL DOCUMENT OMITTED

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Exhibit 3-1.2

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Exhibit 3-3.2

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Exhibit 3-3.3

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Exhibit 3-37

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Exhibit 3-4

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Exhibit 3-5

Approval of Purchaser
and Release of Seller

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