

Supporting Statement for Paperwork Reduction Act Submissions
Performing Loan Servicing for the Home Equity Conversion Mortgage
(HECM)

OMB Control Number 2502-0611

HUD-27011, HUD-50002, HUD-50012, HUD-9519-A

A. Justification

1. Section 255 of the Housing and Community Development Act of 1987 (P.L. 100-242, 2/5/88) established a Federal Mortgage Insurance Program, Section 255 of the National Housing Act, to insure Home Equity Conversion Mortgages (HECMs). The regulatory authority is found at 24 CFR, Part 206.

Home Equity Conversion Mortgages (HECMs) allow eligible homeowners 62 years of age or older to convert a portion of accumulated home equity into monthly streams of income and/or lines of credit. Unlike a traditional home equity mortgage where the borrower makes principal and interest payments to a mortgagee, with a HECM, the mortgagee pays the borrower.

The Home Equity Conversion Mortgage (HECM) is the Department's reverse mortgage program, and is a major part of the current reverse mortgage market. The borrower has no personal liability for payment of the outstanding mortgage balance and enforcement of the debt is only through the sale of the property. The borrower may sell the property at any time for the lesser of the mortgage balance or the appraised value as determined under § 206.125(b) and, if the mortgage is due and payable at the time the contract for sale is executed, the borrower may sell the property for the lesser of the mortgage balance or five percent under the appraised value.

Pursuant to § 206.27(c), HECM loans become due and payable if a borrower dies and the property is not the principal residence of at least one surviving borrower or a borrower conveys all his or her title in the property and no other borrower retains title to the property. HECM loans also become due and payable, upon approval of the Secretary, if the property ceases to be the principal residence of a borrower for reasons other than death and the property is not the principal residence of at least one other borrower or the borrower(s) fail to perform an obligation under the mortgage enumerated in § 206.27. The enumerated provisions include keeping the property in good repair and payment of taxes, hazard insurance premiums, ground rents and assessments in a timely manner, except to the extent such property charges are paid by the mortgagee in accordance with in § 206.205. Additionally, a due and payable status may be deferred where there is an Eligible Non-Borrowing Spouse.

Mortgagees may submit claims for the payment of mortgage insurance benefits in accordance with §§ 206.123 and 206.127 and the Secretary makes payments of acceptable claims under provisions of § 206.129.

2. This information request for OMB review is a comprehensive collection of requirements for mortgagees that service HECM mortgages and the HECM borrowers who are involved with servicing-related activities. There are approximately ten mortgagee respondents. For most servicing activities, mortgagees use their own automated servicing systems to exchange information with HUD's Home Equity Reverse Mortgage Information Technology (HERMIT) system.

This is an extension of currently approved collection. Due to conditions in the mortgage banking industry, the HECM loan portfolio estimates has decreased from servicing 700,000 loans to 600,000 loans. With this decrease in activity, the information collection results in a decrease in the estimated annual responses and annual burden hours. Minor changes are made to the forms.

The following activities and requirements for this Paperwork Reduction Act (PRA) collection are set forth in 24 CFR 206.1 through 206.211, detailing the requirement's pertinent to HUD's HECM program. Mortgagees handle all ongoing servicing activities of HECM loans, to include the following servicing requirements:

Set-Aside Account Administration

Collection and Accounting of Funds - Borrowers may fund set-asides accounts by setting aside the funds required for either a fully funded or partially funded Life Expectancy Set-Aside (LESA) from the available principal limit at origination. Alternatively, where a borrower makes a 206.205(d) set aside election a borrower may fund the set aside by having the mortgagee withhold funds from monthly payments due to the borrower or by charging such funds to a line of credit. For such elections, mortgagees must facilitate the periodic collection of funds from borrowers and maintain accounting records for these funds within their information systems and in HUD's HERMIT system.

Use of Funds - Funds in the set-aside accounts may only be used for property charges identified in regulations. Determining the appropriate use of funds requires information gathered from the borrower about outstanding and future property charge obligations.

Set-Aside Account Administration - Applicable requirements for set-aside accounts are referenced in OMB Collection of Information 2502-0583 for all FHA loans.

Timely Payments and Advances

Property Charge Payments - Funds in a set-aside will be used by the mortgagee to pay property charges on behalf of the borrower when those charges become due. Currently property charge payments are being made by the mortgagee for about 10 percent of the portfolio. For the remaining loans, borrowers are expected to make the property charge

payments directly from their own funds. The number of current responses accounts for 10 percent of the portfolio of 600,000 loans and includes payment of taxes, insurance and in some cases, homeowners' association (HOA) dues.

Evidence That Property Charges Have Been Paid - HUD regulations at § 206.205(e) requires that borrowers, electing to pay property charges themselves, provide evidence of property charge payments they make to the mortgagee. If the borrower was either required to establish a fully funded LESA or had elected to have the mortgagee pay the property charges, then the mortgagee would be required to obtain the amounts due, and retain proof of payment after the charges are paid. Mortgagees use tax services to obtain tax information and bills, and after payment, mortgagees receive a receipt from the taxing authority. The tax service can also confirm that taxes were paid before the mortgagee receives the receipt. The total number of loans for which property charges are currently being paid by the borrower is estimated to be 90 percent of the portfolio of 600,000 loans, or 540,000.

Set-Aside Items - The appropriate actions to be taken by the mortgagee for the corresponding set-aside items are described in OMB Collection of Information 2502-0583.

Execution of Payment Plan Changes - When a mortgagee is responsible to pay the borrower's property charges using funds withheld from term or tenure payments, and there are insufficient funds to pay those charges, it becomes necessary to execute a change in the payment plan. The mortgagee will initiate the preparation of the modified payment plan in response to the insufficiency of funds, and present the modified plan to the borrower for acceptance.

Analysis of Set-Aside Accounts

Analysis of Set-Asides – Mortgagees are required to perform an annual analysis for the LESA set-aside accounts to determine if there will be enough funds to make the upcoming property charge payments for the borrower or the semi-annual disbursements to the borrower. Mortgagees are required to notify the borrower if funds are exhausted or if there is an insufficient balance determination. Additionally, for a Borrower 206.205(d) election set aside, mortgagees are required to establish a system for periodic analysis of the amounts withheld from monthly payments no later than the end of the second loan year and must occur no less than annually thereafter. Currently, the number of accounts analyzed is assumed to be 10 percent of the portfolio of 600,000 loans. While information exchanges will flow from the analysis of set-aside accounts, the analysis itself does not invoke the PRA. The analysis of set-aside accounts is a necessary part of business operations, and may be considered best practice in the mortgage industry, and in the HECM industry segment.

Set-Aside Account Adjustments

There are three set-aside accounts that are used to pay borrower property charges: Borrower 206.205(d) Election Set-Aside, fully funded Life Expectancy Set-Aside (LESA) and partially funded LESA.

Insufficient Amount Determination in Set-Aside Account – For a Borrower 206.205(d) election set-aside, where a mortgagee’s analysis determines more funds will be needed to pay the upcoming year’s property charges, mortgagees are required to adjust the amount withheld from the borrower’s monthly payments and/or assessed against the borrower’s line of credit. If this occurs, the mortgagee must provide the borrower 10 days notice. For all other set-aside accounts, where there is an insufficiency determination, the mortgagee must inform the borrower that the borrower will not be responsible for the payment of property charges.

Surplus in Set-Aside Account – When appropriate, mortgagees are required to apply set-aside account overages to the account balance or return funds collected for purpose to pay property charges to the borrower or the borrower’s estate.

Providing Loan Information and Customer Services – Monthly and Annual Statements

Mortgage Balance Disclosures – The mortgagee must provide the borrower with a written statement that details all account transactions that took place in the previous year. The annual notification is the subject of this request.

Mortgage Insurance Premiums (MIP) During Loan Servicing

Premium Types – All HECM mortgages require a mortgage insurance premium as a condition of insurance endorsement. There are two Premium payment types:

- “Initial” Premiums that are paid in a lump sum at loan origination; or
- “Monthly” premiums that accrue daily and are added to the borrower’s mortgage balance.

The “Initial” MIP payment, or any other term used to signify the initial MIP payment are handled by HECM mortgage originators. Required burden hours for collection and processing of the premiums are detailed in OMB control number 2502-0524.

“Monthly” MIP: Mortgages are subject to the “monthly” MIP for the life of the mortgage. These premiums are added to the outstanding loan balance monthly.

Payment of Monthly Premiums – Monthly mortgage insurance premiums are submitted by the mortgagee through the HERMIT system.

Ensuring Borrower Compliance

Property Inspections and Maintenance – As a requirement of the HECM mortgage, the borrower must maintain the condition of the property to a standard that is livable, durable, and safe for habitation. As required, the mortgagee must perform inspections of the property to ensure that the borrower is in full compliance of this provision. Form HUD-9519-A, *Property Inspection Report* approved under OMB Collection of Information 2502-0429 is the document on which the mortgagee will document property inspection findings. The form provides categories for the mortgagee to report the status of proposed and existing repair requirements. This report becomes a part of the case file which is uploaded as an attachment in HERMIT. HUD does not yet have approval for requiring regular inspections and

completion of Form HUD-9519-A. Mortgagees consist of large industry lenders and mortgagees in addition to medium and smaller sized mortgagees. However, all have automated mortgage loan servicing systems that have the capability of servicing various types of loans and investors. Information required by HUD is routinely gathered and reported to HUD through HERMIT.

Annual Occupancy Certifications – As a requirement of the HECM mortgage, the borrower must certify that the home is being used as their principal residence at least once every twelve months. The mortgagees of HECM loans upload signed certifications into HERMIT and resets the timeline to prompt mortgagees to send the next year's certification requests. Additionally, where there is an Eligible Non-Borrowing Spouse, the borrower is required to also complete an annual certification for that spouse. During a deferral of due and payable status for an Eligible Non-Borrowing Spouse, the Eligible Non-Borrowing Spouse is required to certify annually.

Property Repair Administration

Requests for Disbursement of Funds - Borrowers may make requests for disbursement of funds through the borrowers' lines of credit, or from repair set aside accounts when repairs are completed, or from hazard insurance claim funds held by the mortgagees.

Extension Request to Complete Repairs Required as a Condition of the Mortgage, Or to Initiate Foreclosure - Borrowers may make requests for extension of time to complete repairs that are required as a condition of the mortgage. After the mortgagee receives the extension request from the borrower, they must forward the request to HUD for approval. When HUD responds, the mortgagee responds to the borrower.

Report of Hazard Insurance Claims - On occurrence of insured damage events, borrowers will file insurance claims under their hazard insurance policies. A borrower may submit insurance settlement proceeds to the mortgagee, and provide a letter of intent to perform repairs or to have the funds applied to the loan balance.

Request for Inspection of Repairs to Release Funds - After a borrower completes the necessary repairs to the property, the borrower will request that the mortgagee have the repairs inspected. Once the inspection is cleared, the funds will be released to the borrower and the repair contractor.

Request for Excess Repair Set-Aside Funds to Be Disbursed to the Borrower or Moved into the Line of Credit after Repairs Are Completed - Mortgagees will disburse funds to the borrower and repair contractors when the repairs are completed and the inspections are cleared. If there are any excess funds after completion of the repairs, the borrower will advise the mortgagee whether the excess funds are to be paid to the borrower or left in the line of credit. The mortgagee will follow the borrowers' instructions.

Request for a Change in Payment Plan

Request for a Change in Payment Plan - After calculating the payment plan change, the mortgagee has to send the payment plan change document to the borrower for signature. The borrower then has to return the signed document to the mortgagee so that the change can be completed. The mortgagee will then make the change in HERMIT and upload the signed document into HERMIT.

Loss Mitigation

Referral to a HUD-approved Housing Counseling Agency – The mortgagee is required to provide information to a delinquent borrower regarding local HECM counselors that can provide assistance to help the borrower cure the delinquency. Some of the borrowers who are in default will be referred to HECM counselors.

Referring the borrower to federal, state, or local programs for assistance - Some of the borrowers who are in default will be referred to federal, state or local programs for assistance.

HECM Loan Refinance – In servicing of a HECM delinquency, mortgagees are required to assess the borrower for ability to refinance the existing HECM mortgage into a new HECM mortgage to satisfy any outstanding arrearages for corporate advances made for property charges. HUD has determined that the process to assess borrowers for a new HECM mortgages through internal underwriting analysis requires no additional burden hours. The duties and responsibilities of the mortgagee for underwriting and funding a HECM loan are universal to the mortgage lending industry; therefore, no additional burden hours are assigned for the refinancing of a HECM mortgage in delinquency outside of what is expressed in OMB Information Collection 2502-0524.

Attempting to Negotiate a Repayment Plan and Request for Financial Information - Mortgagees are required to collect from borrowers all necessary information to evaluate options for curing HECM mortgage delinquencies. The most common delinquency is the failure of the borrower to pay property charges associated with the property securing the HECM loan. Due to the rising number of loans that fall into this category, the FHA has introduced special loss mitigation policies and procedures to help mortgagees work with borrowers to cure HECM delinquencies.

Analysis – The mortgagee is required to obtain from the borrower any documentation related to income, asset verification, expenses and the amount of surplus income the borrower has available to repay the delinquency over time. The mortgagee may, at its discretion, obtain this information in writing, via phone, during a personal interview or through a HUD-approved housing counselor who is providing counseling services to the borrower.

Repayment Plan Implementation – Based on the results of the financial analysis, the mortgagee shall determine the appropriate payment amount and period for a repayment plan agreement with the borrower. For each agreement made, the mortgagee must create written

documentation describing the terms of the agreement. The number of mortgagees who enter a repayment plan and those who request a change in repayment plan each year is the number of new repayment plans that mortgagee administers annually.

Repayment Plan Failures – If the borrower does not perform on a repayment plan as agreed then the mortgagee must adhere to any guidance of performing additional loss mitigation steps before seeking approval from HUD to call the loan “Due and Payable”.

Report Generation - Mortgagees are required to report the current status of all delinquent loans monthly into HERMIT. A reporting capability is desired to generate reports from the data in HERMIT. Currently no report generation capability exists. The reporting capabilities are expected to be available within the next 3 years. The burden hours and costs are retained as placeholders in anticipation of the reporting capability becoming available.

Loss Mitigation Documentation - Mortgagees are required to maintain documentation of all loss mitigation efforts, including but not limited to attempts to contact borrowers, communications with borrowers, referrals to housing counselors, financial data used in the analysis of surplus income, any documented proof borrower hardship, and any certified agreements between the borrower and mortgagee. This documentation shall be maintained in a case record and/or claim file (as necessary) and uploaded to the HERMIT system.

Due and Payable Events

Requesting Due and Payable Designation – For due and payable events that require HUD approval, the mortgagee must request HUD approval before a HECM loan may be called “Due and Payable”. Mortgagees are required to use the HERMIT system for this request. Not all loans that experience a due and payable event must immediately be declared or designated due and payable.

Providing Legal Documents Such As Power Of Attorney or Trust - Borrowers are required to provide copies of legal documents such as a power of attorney or trust documents to the mortgagees when such documents are executed. Mortgagees will upload a copy of each such document into HERMIT. A loan will become due and payable if the borrower dies and the property is not the principal residence of at least one surviving borrower or a borrower conveys his or her title in the property and no other borrower retains title to the property. Upon approval of the Secretary, a HECM loan may also be called “Due and Payable” if the property ceases to be the principal residence of at least one borrower or an obligation of the borrower under the mortgage is not performed. Legal documents would be generated from such activities.

Borrower or Estate Notification of a Due and Payable Event - Mortgagees must communicate with borrowers or their estates upon occurrence of a due and payable event, provide information regarding available options and obtain needed documentation of a borrower’s death, title transfer, non-occupancy or failure to perform an obligation under the mortgage.

Due and Payable Notifications to Borrowers/Heirs/Estates – After receiving approval of the Secretary, when needed, the mortgagee shall notify the borrower that the mortgage is due and payable.

Due and Payable Notifications to HUD – The mortgagee shall notify the Secretary whenever the mortgage is due and payable under the conditions stated in § 206.27(c)(1), or one of the conditions stated in § 206.27(c)(2) has occurred. Mortgagees are required to use the HERMIT system to provide the notification.

Deferral of Due and Payable Status – Where there is an Eligible Non-Borrowing Spouse, there may be a deferral of due and payable status. Where such a deferral occurs and an obligation of the mortgage is not met, a Mortgagee is required to provide notice to the Eligible Non-Borrowing Spouse.

Post Due and Payable Event - Loss Mitigation Activities

Providing a Letter of Intent to Select an Option Other Than Foreclosure after Due and Payable Event - When mortgagees engage borrowers in loss mitigation after a due and payable event, mortgagees may select an option other than foreclosure. The borrower must provide a letter of intent for the option selected. The options may include a payoff, sale of the property, or execution of a deed in lieu of foreclosure. The mortgagee will submit a copy of the letter of intent in HERMIT.

Signature to a Deed In lieu of Foreclosure If That Option Is Selected - If a borrower selects a deed in lieu of foreclosure, the mortgagee will send the prepared deed to the borrower for signature. Borrowers must sign the deed and return it to the mortgagee for recording. An estimated 10 percent of those selecting an option other than foreclosure after a due and payable event will select the option to sign a deed in lieu of foreclosure.

Providing a Listing Agreement and the Sales Contract - If a borrower selects a sale and payoff, or short sale, the borrower must provide a listing agreement and the sales contract when an offer is received. The borrowers, heirs, or estates that select a sale and payoff, an estimated 90 percent of them will provide a listing agreement and the sales contract pursuant to a sale of the property.

Mortgage Loan Servicing Transfers

Notification of Mortgage Transfers to HUD – When a HECM mortgage is transferred from one mortgagee to another mortgagee; the original mortgagee must update the case file in HERMIT within 15 days of the transfer.

Notification to Borrowers of Mortgage Servicing Transfers - It is the responsibility of the receiving mortgagee to notify or arrange to notify the borrowers of the transfer of the mortgagee responsible for servicing their loan.

Other Information Exchanges

Claims- Mortgagees may submit claims for the payment of mortgage insurance benefits in accordance with §§ 206.123 and 206.127 and the Secretary makes payments of acceptable claims under provisions of § 206.129.

Borrower Requests for Partial Release - On occasion, a borrower may wish to sell or convey a portion of the property covered under the mortgage to another party. An appraisal before and after the sale or conveyance will determine the value with and without the parcel to be released, and is used to determine if the remaining property has sufficient value to cover the mortgage debt. The borrower will submit the request with the appraisal to the mortgagee, who in turn will submit the documents to HUD. Once HUD approves or denies the request, the mortgagee will have responded to the borrower, who then can complete the process or not, depending on HUD's approval.

Request for a Payoff Statement - Some borrowers may wish to transfer the mortgaged property and pay off the HECM loan. Those borrowers will request a payoff statement from the mortgagees. When processing a borrower for a repayment plan prior to submitting due and payable request, mortgagees must solicit a loss mitigation workout or a payoff from the borrower and respond to all borrower inquiries and requests for information about the mortgage. Such requests for information will include a loan payoff statement.

Request for Appraisal to Sell the Property – When a borrower wishes to sell or transfer the property, the mortgagee will request an appraisal and submit the results of the appraisal in HERMIT.

3. **Mortgagees Use of HERMIT** - Mortgagees handle all ongoing servicing activities of HECM loans, including remitting monthly insurance premiums to HUD. HUD estimates that HECM services are servicing approximately 600,000 loans. Mortgagees use their own automated servicing systems to exchange information with HUD's HERMIT system generally monthly. Mortgagee Letter 2012–17 announced the release of HERMIT. OMB Number 2502–0524 identifies a supporting document for the PRA package accompanying the release of HERMIT. The Supporting Document for OMB Number 2502-0524 included collections for origination and servicing activities that are reported into HERMIT. This supporting statement is the information collection that pertain to HECM servicing. Included here are all information exchanges of mortgagees and borrowers that are not deemed industry standard, and for which HUD estimates the burden hours in the accompanying table.

HECM servicing activities that involve information exchanges with HERMIT are described in Section 2 of this PRA collection. The use of HERMIT is expected to reduce the burden of mortgagees over time and relieve the need to maintain paper documentation of communications with borrowers.

4. There is no duplication of information. Mortgagees routinely document mortgage loan servicing activities as a part of their own loan servicing and internal quality control

procedures. HUD will accept the various formats already in use by mortgagees if the information is complete.

5. The collection of this information will not have a significant impact on a substantial number of small businesses.
6. The information is required to ascertain whether the mortgagee has performed adequate and prudent mortgage loan servicing and whether the borrower has maintained full compliance with all provisions of the HECM mortgage. The information is necessary to protect the FHA insurance fund and the interests of industry participants and current and future borrowers. Without the collection of information, the Federal Program would be open to misuse and lead to an abundance of industry and consumer complaints. To maintain the integrity and solvency of the HECM program and provide necessary oversight, this information must be collected and reported to HUD through the HERMIT system.
7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

The special circumstances Requiring the mortgage to perform a financial assessment while the mortgage loans are in default is required so that approximate servicing actions can be conducted in a timely manner and HUD can be notified of loan events, as necessary;

Mortgagees are required to maintain and store FHA-insured mortgage loan for a period of three years after maturity, termination or claim payment.

* No requirements for respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

* No requirements for respondents to submit more than an original and two copies of any document; requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

* No special circumstances in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;

* No requirements to the use of a statistical data classification that has not been reviewed and approved by OMB;

* The information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Notice statements where needed. And does not include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

* The information collection does not require respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments were announced in the Federal Register on September 13, 2017 (Volume 82, Number 176, Page 43037). No comments were received. The ability to provide the information required by this process, and the use of the information, is discussed with the mortgage loan industry on a continuing basis and at yearly functions, meetings and personal contact by various HUD staff and managers. FHA has a close working relationship with approved FHA mortgagees who service HECM loans, thus, it is our custom to contact members of the National Reverse Mortgage Mortgagee’s Association to solicit their input on this collection.

The agency notice soliciting comments on the information collection was published in the Federal Register on Tuesday, September 12, 2017 (Volume 82, Number 175, Page 42831). No comments were received.

9. The collection of this information does not provide for payments or gifts to respondents (mortgagees or borrowers).

10. The Privacy Act of 1974 protects respondents who meet the information reporting requirements. There are no other pledges of confidentiality.

11. The information collection contains questions of a sensitive nature. Explanations to be given to persons from whom the sensitive information is requested is provided in the related MLs.

12. Estimated Burden and Cost to Respondents:

| Information Collection | Number of Respondents | Response Frequency (average) | Number of Responses | Burden Hour Per Response | Annual Burden Hours | Hourly Cost /Response | Annual Cost |
|---|-----------------------|------------------------------|---------------------|------------------------------------|---------------------|-----------------------|----------------|
| Set-Aside Account Administration | | | | | | | |
| Collection and Accounting of Funds | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Use of Funds | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Set-Aside Account Administration | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Property Charge Payments | 10.00 | 60,000.00 | 600,000.00 | 0.50 | 300,000.00 | \$19.38 | \$5,814,000.00 |
| Evidence That Property Charges Have Been Paid | 10.00 | 54,000.00 | 540,000.00 | 0.20 | 108,000.00 | \$19.38 | \$2,093,040.00 |

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|--|-------|------------|--------------|------------------------------------|------------|---------|-----------------|
| Set-Aside Account Items | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Execution of Payment Plan Changes | 10.00 | 6,000.00 | 60,000.00 | 0.50 | 30,000.00 | \$19.38 | \$581,400.00 |
| Set-Aside Account Analysis | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Set-Aside Account Insufficient Determination | 10.00 | 39,600.00 | 396,000.00 | None, this is an industry standard | | | |
| Set-Aside Account Surpluses | 10.00 | 20,400.00 | 204,000.00 | 0.20 | 40,800.00 | \$19.38 | \$790,704.00 |
| Providing Loan Information and Customer Services | | | | | | | |
| Monthly Statements | 10.00 | 720,000.00 | 7,200,000.00 | None, this is an industry standard | | | |
| Annual Statements | 10.00 | 60,000.00 | 600,000.00 | None, this is an industry standard | | | |
| Mortgage Insurance Premiums (MIP) | | | | | | | |
| Monthly MIP Payments | 10.00 | 720,000.00 | 7,200,000.00 | 0.10 | 720,000.00 | \$19.38 | \$13,953,600.00 |
| Property Repair Administration | | | | | | | |
| Requests for Disbursement of Funds | 10.00 | 1,505.00 | 15,050.00 | 0.40 | 6,020.00 | \$19.38 | \$116,667.60 |
| Extension Request to Complete Repairs Required As a Condition of the Mortgage | 10.00 | 1,505.00 | 15,050.00 | 0.40 | 6,020.00 | \$19.38 | \$116,667.60 |
| Report of Hazard Insurance Claims | 10.00 | 1,505.00 | 15,050.00 | 0.40 | 6,020.00 | \$19.38 | \$116,667.60 |
| Request for Inspection of Repairs in Order to Release Funds | 10.00 | 1,505.00 | 15,050.00 | 0.40 | 6,020.00 | \$19.38 | \$116,667.60 |
| Request for Excess Repair Set Aside Funds to Be Disbursed to the Borrower or Moved into the Line of Credit after Repairs Are Completed | 10.00 | 1,505.00 | 15,050.00 | 0.40 | 6,020.00 | \$19.38 | \$116,667.60 |
| Occupancy Certification | 10.00 | 60,000.00 | 600,000.00 | 0.10 | 60,000.00 | \$19.38 | \$1,162,800.00 |
| HECM Loss Mitigation | | | | | | | |
| Attempting to negotiate a repayment plan | 10.00 | 7,200.00 | 72,000.00 | 0.50 | 36,000.00 | \$19.38 | \$697,680.00 |

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|---|-------|----------|-----------|------------------------------------|-----------|---------|--------------|
| Referral to HECM Counselor | 10.00 | 3,612.00 | 36,120.00 | 0.10 | 3,612.00 | \$19.38 | \$70,000.56 |
| Referring the borrower to federal or state or local programs for assistance | 10.00 | 2,167.20 | 21,672.00 | 0.10 | 2,167.20 | \$19.38 | \$42,000.34 |
| Borrowers providing evidence of application to any such available programs | 10.00 | 720.00 | 7,200.00 | 0.25 | 1,800.00 | \$19.38 | \$34,884.00 |
| Borrower providing confirmation of approval for assistance | 10.00 | 361.20 | 3,612.00 | 0.25 | 903.00 | \$19.38 | \$17,500.14 |
| Execution of any agreed-upon repayment plan | 10.00 | 3,250.80 | 32,508.00 | 0.50 | 16,254.00 | \$19.38 | \$315,002.52 |
| HECM Loan Refinance | 10.00 | 103.20 | 1,032.00 | 0.50 | 516.00 | \$19.38 | \$10,000.08 |
| Request for a Change in Payment Plan | 10.00 | 812.70 | 8,127.00 | 0.25 | 2,031.75 | \$19.38 | \$39,375.32 |
| Post Due and Payable Events | | | | | | | |
| Providing a Letter of Intent to Select an Option Other Than Foreclosure after Due and Payable Event | 10.00 | 6,000.00 | 60,000.00 | 0.25 | 15,000.00 | \$19.38 | \$290,700.00 |
| Signature to a Deed in Lieu of Foreclosure If That Option Is Selected | 10.00 | 1,806.00 | 18,060.00 | 0.25 | 4,515.00 | \$19.38 | \$87,500.70 |
| Providing a Listing Agreement and the Sales Contract | 10.00 | 1,625.40 | 16,254.00 | 0.25 | 4,063.50 | \$19.38 | \$78,750.63 |
| Repayment Plan Administration | 10.00 | 4,063.50 | 40,635.00 | 0.25 | 10,158.75 | \$19.38 | \$196,876.58 |
| Loss Mitigation Reporting | 10.00 | 7,120.80 | 71,208.00 | 0.10 | 7,120.80 | \$19.38 | \$138,001.10 |
| Mortgage Loan Servicing Transfers | | | | | | | |
| Notification to HUD | 10.00 | 3,010.00 | 30,100.00 | None, this is an industry standard | | | |
| Notification to Borrowers | 10.00 | 3,010.00 | 30,100.00 | None, this is an industry standard | | | |
| Due and Payable Events | | | | | | | |
| Requesting Due and Payable Designation | 10.00 | 3,010.00 | 30,100.00 | 0.10 | 3,010.00 | \$19.38 | \$58,333.80 |
| Providing Legal Documents Such As Power Of Attorney or Trust | 10.00 | 120.40 | 1,204.00 | 0.33 | 397.32 | \$19.38 | \$7,700.06 |

| | | | | | | | |
|---|-------|----------|------------|------------------------------------|--------------|---------|-----------------|
| Borrower Or Estate Notification of a Due and Payable Event | 10.00 | 1,505.00 | 15,050.00 | 0.17 | 2,558.50 | \$19.38 | \$49,583.73 |
| Providing Mortgagee with a Death Certificate or Evidence of Non-Occupancy | 10.00 | 1,505.00 | 15,050.00 | 0.33 | 4,966.50 | \$19.38 | \$96,250.77 |
| Due and Payable Notification to Borrower/Heirs/Estates | 10.00 | 6,000.00 | 60,000.00 | None, this is an industry standard | | | |
| Due and Payable Notification to HUD | 10.00 | 6,000.00 | 60,000.00 | 0.10 | 6,000.00 | \$19.38 | \$116,280.00 |
| Claims | | | | | | | |
| Claim submission via HERMIT | 10.00 | 6,000.00 | 60,000.00 | 0.10 | 6,000.00 | \$19.38 | \$116,280.00 |
| Borrowers' Requests for Partial Release | 10.00 | 6,000.00 | 60,000.00 | 0.17 | 10,200.00 | \$19.38 | \$197,676.00 |
| Requests for payoff Statements | 10.00 | 6,000.00 | 60,000.00 | 0.17 | 10,200.00 | \$19.38 | \$197,676.00 |
| Request for Appraisal to Sell Property if Not Due and Payable | 10.00 | 6,000.00 | 60,000.00 | 0.17 | 10,200.00 | \$19.38 | \$197,676.00 |
| Totals | 10.00 | | 21,345,282 | | 1,446,574.32 | | \$28,034,610.32 |

The hourly cost is based on mortgagee staff salary estimated equal to GS-6 CY2017 salary of \$40,442 annually.

13. There are not additional annual cost burden to respondents or recordkeepers beyond those shown in Items 12 and 14 resulting from the collection of information.

14. Estimated Burden and Annual Cost to the Federal Government:

| Information Collection | Number of Responses | Burden Hour Per Response | Annual Burden Hours | Hourly Cost /Response | Annual Cost |
|---|---------------------|--------------------------|---------------------|-----------------------|---------------|
| Property Repair Administration | | | | | |
| Extension Request to Complete Repairs Required As a Condition of the Mortgage | 15,050.00 | 0.20 | 3,010.00 | \$ 38.20 | \$ 114,982.00 |
| HECM Loss Mitigation | | | | | |
| Borrower providing confirmation of approval for assistance | 3,612.00 | 0.17 | 614.04 | \$ 38.20 | \$ 23,456.33 |
| Due and Payable Events | | | | | |
| Requesting Due and Payable Designation | 30,100.00 | 0.08 | 2,408.00 | \$ 38.20 | \$ 91,985.60 |
| Due and Payable Notification to HUD | 60,000.00 | 0.08 | 4,800.00 | \$ 38.20 | \$ 183,360.00 |
| Claims | | | | | |
| Borrowers' Requests for Partial Release | 60,000.00 | 0.08 | 4,800.00 | \$ 38.20 | \$ 183,360.00 |

| | | | | | |
|--------|------------|--|-----------|--|--------------|
| Totals | 168,762.00 | | 15,632.04 | | \$597,143.93 |
|--------|------------|--|-----------|--|--------------|

The hourly cost is based on estimated GS12 CY2017 salary of \$79,720 annually.

15. This is a revision of a currently approved collection. Due to conditions in the mortgage banking industry, the HECM loan portfolio activity has decreased from servicing 700,000 loans to 600,000 loans. With this decrease in activity, the information collection results in a decrease in the estimated annual responses and annual burden hours. Minor changes are made to the forms.
16. There are no plans to publish this collection of information for statistical use.
17. HUD is not seeking approval to avoid displaying the OMB expiration date.
18. There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I. All forms will be modified upon OMB review.

B. Collections of Information Employing Statistical Methods

This collection of information does not use statistical methods.