

Neighborhood Watch

Neighborhood Watch allows all FHA-approved lenders to identify and analyze the patterns (by geographic area, originating lender, or loan characteristics) of cases that became delinquent within the first two years of loan origination. Patterns may be identified by a specific area (e.g., by city, MSA, state, or HOC) or across the nation. Additionally, various lender data may be researched and accessed. Case details are available only for lenders who originate, sponsor, and/or service the loans. **Neighborhood Watch** is designed to highlight exceptions so that potential problems are readily identifiable.

Available Information

The following information can be accessed by authorized lender personnel within the **Neighborhood Watch** function:

Early Warnings enables you to generate report listings for cases that are 30 days or more delinquent as of the last reporting cycle updated in **Neighborhood Watch**, as well as for cases with defaults within the first and second years. This assists you in detecting problems and/or unusual activities. You may request the period in which the report information is provided, enter geographic comparison specifications, and sort the information by various options that reveal areas or programs with the most volume or greatest problem area(s). An **Early Warnings** report may be requested by:

- **All Lenders/Area** (request reports for *Originator by Institution or Branch, Brokers/Sponsors, Direct Endorsement Lenders, Principals/Agents, or Areas*)
- **Single Lender** (access lender information by entering the first few letters of the lender's name or by entering the five-digit lender ID)
- **All Appraisers/Area** (request reports for Appraiser Summary, Areas or All Appraisers for a Single Lender)
- **Single Appraiser** (access appraiser information by entering the first few letters of the appraiser's last name or the six-character *Appraiser ID*)
- **All Underwriter** (shows data drill down for all underwriters with program roll-ups, all programs, living units, insurance funds, etc.)
- **Single Underwriter** (access underwriter information by entering the first few letters of the underwriter's last name or the four-character Underwriter ID)

Servicing enables you to generate reports summarizing servicer or originator FHA-insured loan portfolios, as well as reports that highlight lenders' HUD/FHA loss mitigation and claims activity. You may:

- Request reports for *All Servicers* or a *Single Servicer*
- Select report type options: *Portfolio Summary, Portfolio Summary by Originator, Loss Mitigation - Delinquent Loans Reported, or Loss Mitigation - Incentive Claims Paid*
- Request lender comparison ratio information and compare the foreclosure claim rate to the foreclosure claim rate of a selected area
- Request reports via the Delinquent Reporting report queries that provide delinquent loan counts and loan details by report day/month for the servicing lender that reported to the Single Family Default Monitoring System (SFDMS). Reports may be requested by servicer ID or FHA case number.

Analysis enables you to generate reports to assist you in quickly spotting large discrepancies and monitor lender activities. Reports may be requested by:

- **Seriously Delinquent/Claim Comparison** (provides comparisons of two lenders and/or geographic areas within the US)
- **HECM Activity** (enables you to view HECM activity during the past three years for a specific area, single lender, or all lenders)

- **Lender Summary** (shows the performance of FHA's active Direct Endorsement (DE) lenders against the national averages for serious delinquent loans and claims. The report is based on the most current loan level data which is updated monthly. Currently, Lender Summary is available only to HUD staff)
- **Total Lender View** (is a snapshot of a lender's company and performance information. Currently, the Total Lender View is available only to HUD staff. SPM data is only displayed for the FHA loan portfolio selection. The Supplemental Performance Metric (SPM) data is displayed in the servicing portfolio section of the report output)

Details enables you to quickly access various Neighborhood Watch-related summarized information for Title 1 or Title II lenders in an easy-to-read report format. List below are the two types of reports currently available:

- **Lender Details** (access lender information for Active, Terminated, or Merged lenders (e.g., lender type, branch office information) by entering the first few letters of the lender's name or by entering the five-digit lender ID)
- **Program Profiles** (select either *Show ADP Codes in Program* or *Programs associated with ADP Code* to view program information)

Queries enables you to access case level details on loans originated, sponsored, or serviced by your lending institution. The available queries include:

- **Case Status** provides details on the user-specified FHA case number. If the case detail information exists in the A43 IIF (IMS) database, the loan information is retrieved real time from the A43/SFIS system. Otherwise, it retrieves the information extracted monthly from HUD's Single Family Data Warehouse and includes details for the following categories:
 - Borrower/Property/Loan Identification
 - Originator/Sponsor/Servicer/Holder Information
 - Loan Origination Information
 - Underwriter's Ratings – Post Endorsement Reviews
 - Loan Status
 - Default Information Reported by the Servicer
 - Claim Information
- **Delinquent Cases** lists delinquent loan case details by 30, 60, or 90 days delinquent and counts for lenders that report to the Single Family Default Monitoring System (SFDMS) within the first three years of the life of the loan.
- **HUD Pipeline/Uninsured** lists uninsured FHA loans for which HUD has received the upfront mortgage insurance premium (UFMIP) payment.
- **Indemnification** lists FHA-insured cases for which the lender and HUD have entered into an indemnification agreement to reduce the possibility of a claim.
- **Late UFMIP** (upfront mortgage insurance premium) lists cases for which HUD received a late UFMIP payment, i.e., 10 or more days after the mortgage loan closing date. Information includes but is not limited to Closing Date, UFMIP Payment Date, late and interest information, number of days between closing and UFMIP payment receipt, and between closing and closing package receipt.
- **Late Endorsement** lists cases for which HUD received the endorsement package more than 60 days after the closing date.
- **Title 1 Case Status** provides details on the user-specified FHA Title 1 case number.

Lender Reporting enables you to save and/or view previously saved detailed case report information. You may save/view information for a single case or for multiple cases in your FHA portfolio. This report is available to internal HUD staff only; however, other report functionality is also available via the LRS system and utilized by HUD personnel.

Early Payment Delinquencies and Refinances Reports allows authorized Quality Assurance Division (QAD) users the ability to export the Excel Early Payment Delinquencies and Refinances reports. These reports are only available to HUD personnel and QAD staff.

Accessing Neighborhood Watch

Access to, and content presented on, **Neighborhood Watch** pages is based on your FHA Connection authorization. See the **FHA Connection Guide** modules provided in **Getting Started** for additional information regarding accessing the FHA Connection.

1. After signing on to the FHA Connection, select **Single Family FHA** from the menu.
2. On the **Single Family FHA Business Areas** menu, select **Neighborhood Watch**. The **Neighborhood Watch** page appears (**Figure 1**).



Figure 1: Neighborhood Watch page with Early Warning drop-down menu displayed

Note: You may also access **Neighborhood Watch** directly, without accessing the FHA Connection, by entering: <https://entp.hud.gov/sfnw/nw/>. However, you are still prompted to enter your FHA Connection user ID and password before going directly to **Neighborhood Watch**.

3. To return to the FHA Connection, place your mouse pointer over the **Help/About** option and then select **FHA Connection** from the pull-down menu (**Figure 2**). The **Single Family FHA Business Areas** menu is displayed.



Figure 2: Neighborhood Watch page with FHA Connection menu option

Requesting Neighborhood Watch Information

The process of requesting a **Neighborhood Watch** report for **Early Warning**, **Analysis**, and **Details** is similar. When requesting a report, you may choose the appropriate options to tailor the information to your specific needs. You are prompted to enter or select information based upon the desired report.

The instructions and sample pages below use an **Early Warnings** *Current Defaults – By Institution* example to illustrate how to use the **Neighborhood Watch** functions.

1. After signing on to the FHA Connection, go to **Neighborhood Watch** as described in **Accessing Neighborhood Watch**.
2. Select **Early Warnings** on the Neighborhood Watch Early Warning System page (**Figure 3**).



Figure 3: Neighborhood Watch page with Early Warnings pull-down menu options

3. Select *All Lenders/Areas* from the Early Warnings menu (**Figure 3**). The Early Warnings – All Lenders/Areas (initial) page appears (**Figure 4**).
4. Ensure that the *Originator by Institution* (default) option is highlighted in the **Mortgagee/Area Selections** list box (**Figure 4**).
5. Click the **State** radio button to specify a focus area (*United States, HUD Office, State, MSA, HOC*) (**Figure 4**). Only one focus area is allowed per request. Select *Hawaii* from the **State** drop-down list and click . The Early Warnings – All Lenders/Areas (focus) page appears (**Figure 4**).

EARLY WARNINGS -- ALL LENDERS/AREAS

Mortgagee/Area Selections:

- Originator by Institution
- Originator by Branch
- Sponsored Originator
- Brokers/Sponsors
- Direct Endorsement Lenders
- Principals/Agents

Click after you have selected all desired options

Submit

Loan Portfolio: 2 Year FHA

United States

HUD Office: AK, ANCHORAGE

State: HAWAII

County: HAWAII

City: AIEA

Zip Code & City: 96701 AIEA

MSA: ABERDEEN, SD MICROPOLITAN STATISTICAL AREA

HOC: ATLANTA

To focus on a specific area, select the state

Figure 4: Neighborhood Watch, Early Warnings – All Lenders/Areas page

Once **Submit** is clicked, an additional criteria page appears with additional report options (**Figure 5**).

EARLY WARNINGS -- ALL LENDERS/AREAS

Focus Area: [State -- HAWAII](#)

Mortgagee/Area Selections:	Delinquent Choices:	2 Year Performance Period:
<div style="border: 1px solid gray; padding: 2px;"> Originator by Institution ^ Originator by Branch v Sponsored Originator v </div>	<div style="border: 1px solid gray; padding: 2px;"> Seriously Delinquent ^ Seriously Delinquent within the first year v </div>	<div style="border: 1px solid gray; padding: 2px;"> Data as of 09/30/2021 ^ Data as of All Quarter End Dates v Data as of 2021Q2 v </div>

Compare Lenders to Area

Output Options: Show: All Loans v

Show only records between 100 and 9999999 total originations v

between 1 and 9999999 total seriously delinquent and claims v

between 0 and 9999999 compare ratio v

Show Data For: Originators w/ orig. in HAWAII v

Originator Choices: *(Only Applies to Originator Output)*

Mortgagee Type:

Government Supervised Non-Supervised

Loan Correspondents Investing/Non-Profit/Charitable

Originator FHA Approval Status: Active Terminated Merged

Report Options: Detail and Totals Detail Only Totals Only

Sort By: Percent of Seriously Delinquent and Claims v Descending v

Figure 5: Neighborhood Watch page with Early Warnings pull-down menu options

6. Select the desired options on the Early Warnings – All Lenders/Areas page.
7. Click . The report appears (**Figure 5**).

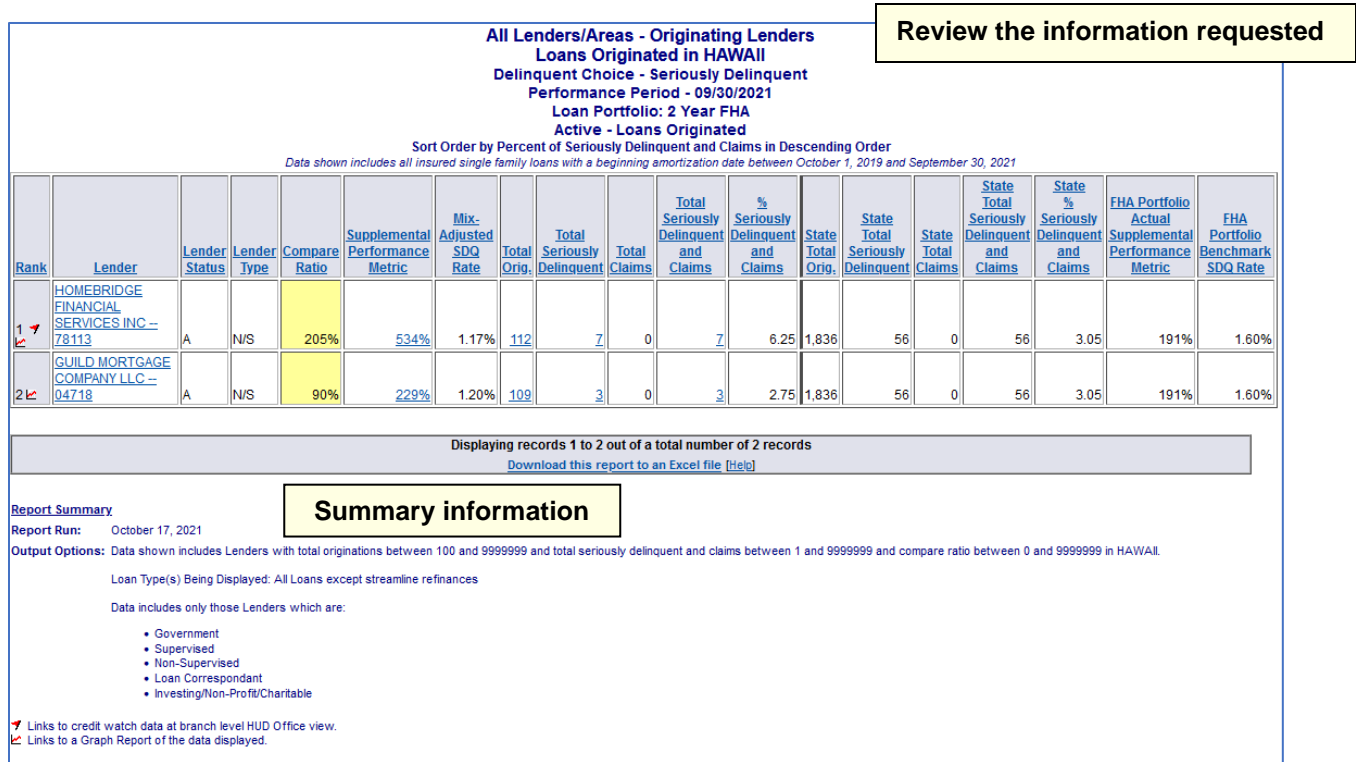


Figure 6: Neighborhood Watch – Originating Lenders page

Help Information Available for Neighborhood Watch

The **Help/About** pull-down menu (Figure 2) provides you with additional **Neighborhood Watch** information (Figure 7). A brief description of each of the available help options is provided below:

Help provides access to additional information about each of the **Neighborhood Watch** options, as well as links to other information regarding how to use **Neighborhood Watch**, recent updates, frequently asked questions, etc. Upon selecting **Help** from the **Help/About** menu (Figure 2), a selection page is displayed providing a summary of each available topic (Figure 6). Click the topic link (*provided at the left of the table*) to view more details.

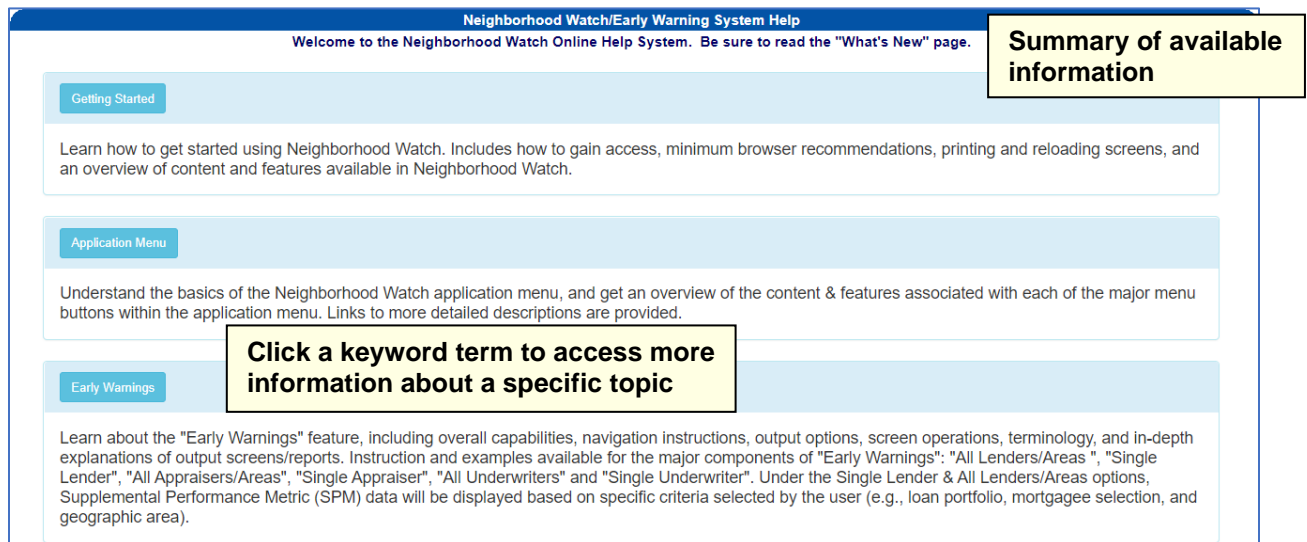


Figure 7: Partial page sample of Neighborhood Watch – Help selection page

For example, if you click **Early Warnings**, a help page appears with more details on the **Early Warning** menu options (**Figure 8**).

EARLY WARNINGS MENU CHOICES x

Seriously Delinquent

Seriously delinquent loans were reported as 90 days or more delinquent by the servicing lender as of the last reporting cycle updated in Neighborhood Watch. Lenders should select Seriously Delinquent when analyzing its performance relative to the Credit Watch/Termination initiative.

Seriously Delinquent within the first year

Loans seriously delinquent within the first year allows the user to hone in on the lenders and geographic areas that exhibit unusually high levels of delinquencies early in the loan amortization period. The delinquent "period" offered as an option in Neighborhood Watch is:

- **Seriously Delinquent within the first year** - Originations reported by the servicing lender which became delinquent during the first year of origination. These delinquencies may have been subsequently cured.

In addition to choosing a delinquent period, there are a number of different options and data filters that allow the user to narrow the focus of a particular search. These options include:

- Choosing a specific focus area, for confining an "Early Warning" query to a specific geographic area, rather than the entire U.S.
- Setting output options that only display lenders or areas that exceed a certain number of originations or other parameter. This option is useful for separating the high-volume lenders from the low-volume ones
- For lender output, only showing lenders that meet certain criteria regarding lender type and/or lender status.
- Selecting only those loan characteristics of interest, as opposed to viewing data for every loan type applicable to an area/lender.

The options under the Early Warnings button are:

- All Lenders/Areas
- Single Lender
- All Appraisers/Areas
- Single Appraiser
- All Underwriters
- Single Underwriter

Currently, All Underwriters and Single Underwriter are available only to HUD staff.

Early Warnings - All Lenders/Areas x

Focus Area Selection Screen

Output Options Selection Screen

Data Output Screen

Figure 8: Partial page sample of Neighborhood Watch – Help page

About is an overview of the **Neighborhood Watch** function. It provides a summary of the system's intended use and a brief description of the information that is available using this function.

What's New provides a summary of each update made to **Neighborhood Watch**. The information is listed in chronological order according to when the update was released and provides a brief summary of each enhancement to the system. Links to previous year's information are provided at the end of this page and are grouped according to the calendar year in which the updates were released.

Frequently Asked Questions is a compilation of various key questions and answers regarding **Neighborhood Watch**. The information is separated into six categories which include: Basics, Origination, Servicing, Credit Watch, Queries, and Miscellaneous. Each listed question links to the specific answer.

Latest Refresh Date provides the date the **Neighborhood Watch** data was last updated (refreshed) and the date range for which the information is provided. In addition, the date for the next anticipated data refresh (update) is listed.

Feedback provides direction on how to send comments to the FHA Resource Center and includes contact information.

Portal.hud.gov is a link to HUD's **Homes & Communities** website where you may access information concerning HUD and the various programs available to the public. You can return to the **Neighborhood Watch** page by using your Internet browser's **Back** button.

FHA Connection is a link back to the **Single Family FHA Business Areas** menu of the FHA Connection. You may be required to re-enter your FHA Connection's user ID and password to continue working in the FHA Connection. You may return to **Neighborhood Watch** by selecting the **Neighborhood Watch** link on the menu or using your browser's **Back** button.