

# Neighborhood Watch

The Neighborhood Watch function allows you to identify and analyze the patterns (by geographic area, originating lender, or loan characteristics) of loans that became delinquent after 90 days during the first three years of the loans. 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. A case may only be “drilled down” to case specifics on loans that the requesting lender originated, sponsored, or serviced. Neighborhood Watch is designed to highlight exceptions so that potential problems are readily identifiable.

The following features can be accessed within the Neighborhood Watch function:

**Early Warnings** - enables you to generate reports to detect problems or unusual activity related to the origination of FHA-insured single family loans. An Early Warnings’ First Defaults report may be requested for all Lenders, for a Single Lender, for All Appraisers, or a Single Appraiser.

- ✍ *Under All Lenders/Area, request reports for Originator by Institution or Branch, Brokers/Sponsors, Direct Endorsement Lenders, Principals/Agents, or Areas.*
- ✍ *Under Single Lender, access a lender by entering the first few letters of the lender’s name or by entering the five-digit lender ID.*
- ✍ *Under All Appraiser/Areas, request appraiser summaries or area comparisons.*
- ✍ *Under Single Appraiser, access an appraiser by entering the appraiser’s name or by entering the six-character appraiser ID.*
- ✍ *Performance period can be specified for all reports.*
- ✍ *Area comparison ratio information can be requested for the reports.*
- ✍ *All reports can be sorted to reveal lenders, areas, or programs with the most volume or greatest problem area(s).*

**Servicing** – enables you to generate reports summarizing servicer or originator FHA-insured loan portfolios and reports that highlight lenders’ HUD/FHA loss mitigation and claims activity.

- ✍ *Under Servicing, request reports for All Servicers or Single Servicer.*
- ✍ *Select the report type for Options: Portfolio Summary, Loss Mitigation - Current Defaults Reported, or Loss Mitigation – Incentive Claims Paid.*
- ✍ *Lender comparison ratio information can be requested that compares the foreclosure claim rate for the lender to the foreclosure claim rate for the area selected.*

**Analysis** - enables you to analyze two lenders and/or geographic areas within the US. The results are displayed on a comparison output table that lists a breakout of origination/default data and a “compare” ratio. It is intended to assist the user in quickly spotting large discrepancies.

- ✍ *Under Default/Claim Comparison, you must select an item from both lists before clicking on .*
- ✍ *Typically, the comparisons will be areas versus surrounding areas (e.g., city of New York versus the state of New York) or lender versus the area in which that lender originated mortgages (e.g., Any Lender, Inc. - Albuquerque Originations versus city of Albuquerque).*

**Details** enables you to quickly access data for Neighborhood Watch-related “entities” in detail. The three types of Details reports currently available are Lender Details, Program Profiles, and Default Cases.

- ✍ *Under Lender Details, access a lender by entering the first few letters of the lender’s name or by entering the five-digit lender ID.*
- ✍ *Under Program Profiles, select either Show ADP Codes in Program or Programs associated with ADP Code.*

- ✍ *Under Default Cases, provided the proper authorizations, you can access defaulted loan detail information for any lender by entering the first few letters of the lender's name or by entering the five-digit lender ID.*
- ✍ *All Neighborhood Watch reports can be downloaded to an Excel file using the link at the end of the report. For more information, click [\[Help\]](#) next to the [Download this report to an Excel file link](#).*

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

- **Case Status** - provides details on the FHA case number you specify. The information is extracted monthly from HUD's Single Family Data Warehouse and includes details for the following categories:
  - Borrower/Property/Loan Identification
  - Originator/Sponsor Information
  - Loan Origination Information
  - Underwriter's Ratings – Post Endorsement Reviews
  - Loan Status
  - Default Information Reported by the Servicer
  - Claim Information
- **Late UFMIP** (upfront mortgage insurance premium) - lists cases for which HUD received a late upfront mortgage insurance premium payment, i.e., 15 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.
- **HUD Pipeline/Uninsured** – lists uninsured FHA loans for which HUD has received the upfront mortgage insurance premium payment.
- **Default Reporting** lists delinquent loan case details and counts for lenders that report to the Single Family Default Monitoring System (SFDMS).
- ✍ *For assistance in using the Case Status query, use the Help menu that appears at the top of the Case Status results page. (You will first have to enter a case number for a loan you processed.)*

## Selecting an Early Warnings Report

**T**he process of requesting a Neighborhood Watch report for Early Warnings, Analysis, and Details is similar. When requesting a report, you may choose the appropriate options to tailor the information to your specific needs. You will be prompted to enter or select certain information depending upon the desired report.

**EXAMPLE** - To select an Early Warnings' Current Defaults - By Institution report:

1. Select *Early Warnings* on the Neighborhood Watch Early Warning System page.
2. Select *All Lenders/Areas* from the Early Warnings menu. The Early Warnings –All Lenders/Areas (initial) window appears.
3. Ensure that the *Originator by Institution* (default) option is highlighted in the Mortgagee/Area Selections list box.

- Click the **State** radio button to specify a chosen focus area (United States, HUD Office, State, MSA, HOC). Only one focus area is allowed per request. Select *Colorado* from the **State** drop-down list, and click . The Early Warnings – All Lenders/Areas (focus) window appears.
- Ensure that the *Current Defaults* (default) option is highlighted in the **Default Choices** list box.
- Click . The Originating Lenders in Colorado report appears.

**Neighborhood Watch** EARLY WARNING SYSTEM US Department of Housing and Urban Development

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**All Lenders/Areas - Originating Lenders**  
**Loans Originated in COLORADO**  
 Default Choice - Current Defaults  
 Performance Period - 01/31/2004  
 Active - Loans Originated

Sort Order by Percent of Defaults and Claims in Descending Order  
 Data shown includes all insured single family loans with a beginning amortization date between February 01, 2002 and January 31, 2004

Rank	Lender	Lender Status	Lender Type	Compare Ratio	Total Orig.	Total in Default	Total Claims	Total in Default and Claim	% in Default and Claim	State Total Orig.	State Total in Default	State Total Claims	State Total in Default and Claim	State % in Default and Claim
1	MORTGAGESTREAM FINANCIAL SERVICES LLC -- 15972	A	N/S	469%	1,090	122	22	144	13.21	96,396	2,362	356	2,718	2.82
2	SUBURBAN MORTGAGE INC -- 72533	A	N/S	436%	725	78	11	89	12.28	96,396	2,362	356	2,718	2.82
3	BANK OF COLORADO FRONT RANGE -- 73881	A	S	289%	418	31	3	34	8.13	96,396	2,362	356	2,718	2.82
4	ALLIANCE MORTGAGE CAPITAL INC -- 19307	A	L/C	252%	127	9	0	9	7.09	96,396	2,362	356	2,718	2.82
5	MORRISON AND SARTINI LTD -- 11146	A	L/C	239%	208	13	1	14	6.73	96,396	2,362	356	2,718	2.82
6	MID-AMERICA MORTGAGE CORP -- 75091	A	L/C	239%	104	4	3	7	6.73	96,396	2,362	356	2,718	2.82
7	COLORADO LENDING GROUP LLC -- 16770	A	L/C	236%	211	13	1	14	6.64	96,396	2,362	356	2,718	2.82
8	KB HOME MORTGAGE COMPANY -- 64268	A	N/S	234%	1,398	80	12	92	6.58	96,396	2,362	356	2,718	2.82
9	WASHINGTON MUTUAL BANK FA NAMC -- 75326	A	S	225%	158	9	1	10	6.33	96,396	2,362	356	2,718	2.82

Displaying records 1 to 100 out of a total number of 165 records [Next](#)  
[Download this report to an Excel file](#) [\[Help\]](#)

**Report Summary**  
 Report Run: March 17, 2004  
 Output: Data shown includes Lenders with total originations between 100 and 9999999 and total defaults and claims between 1 and 9999999 and compare ratio between 0 and 9999999 in COLORADO.  
 Options: Loan Type(s) Being Displayed: All Loans  
 Data includes only those Lenders which are:

- Government
- Supervised
- Non-Supervised
- Loan Correspondant
- Investing/Non-Profit/Charitable

Links to credit watch data at branch level HUD Office view.

Figure 1: Neighborhood Watch – Originating Lenders page

*If you need assistance completing the windows or with field definitions, click the Help link located on the top menu bar. Select the relevant help from the Table of Contents.*