Case Number Assignment

The first step in establishing a new single family FHA case with HUD is to provide the required information and obtain an FHA case number. This *FHA Connection Guide* module describes and illustrates the Case Number Assignment function and workflow.

1. **Establish a New Case** has two parts:
   - The first part is borrower/address information validation using Validate Borrower/Address for Case Number Assignment. See the Establish a New Case: Validate Borrower/Address for Case Number Assignment section.
   - The second part is completing the Case Number Assignment page, a detailed page with multiple sections: General Information, As Required (used for specific case types), Property Address, Compliance Inspection Fields, and Borrower Information. See the Establish a New Case: Case Number Assignment section.

2. **Update an Existing Case** is used to change, add, and/or correct information after a case number is assigned but before the case is endorsed. See the Update an Existing Case section.

3. **Holds Tracking** is used to a) determine if new or updated borrower information failed overnight validation against federal government records, and b) monitor cases that are put on hold when requesting an FHA case number and determine the hold reason(s). Refer to the FHA Connection Guide's Holds Tracking module which provides in-depth information on the holds tracking process.

**Important:** For all Case Number Assignment functions, key information resources (described in the User Resources section and illustrated in Figures 9-14) are:
- the interactive *What I Need to Know (WINK)* modules accessible on the Case Processing and Case Number Assignment menus.
- the **Help Links** on each processing page (Business Background, Steps for Processing, and Field Descriptions).
Case Number Assignment Workflow

Successful case number assignment is the essential first step toward endorsement for FHA mortgage insurance. A key factor is validation of address and borrower information, e.g., Social Security Number and credit history, against official government databases.

Because case number assignment is a comprehensive process, it is advisable to consult each functions’ Help and related WINK modules for very detailed, illustrated step-by-step assistance with the workflow and the options and variations encountered during processing. The process is explained in the following sections: Establish a New Case: Validate Borrower/Address for Case Number Assignment, Establish a New Case: Case Number Assignment, and Update an Existing Case. The detailed user assistance available is outlined and illustrated in the User Resources section.

Establish a New Case: Validate Borrower/Address for Case Number Assignment

To establish a new case, property address and borrower data must first be validated. Use Establish a New Case on the Case Number Assignment menu to access the Validate Borrower/Address for Case Number Assignment page. This page (Figure 2) has two parts, Property Address and Borrower Data. Procedures are explained in the Validate Property Address and Validate Borrower Data sections.

Important: Refer to the User Resources section which directs you to the assistance available, illustrates the workflow (Figures 10 and 11), and shows where to find guidance in dealing with failed validation issues.

![Figure 2: Validate Borrower/Address for Case Number Assignment page](image-url)
Validate Property Address. The data you enter in the Property Address section of Validate Borrower/Address for Case Number Assignment (Figure 2, upper section) is validated against United States Postal Service (USPS) information. When you submit the page for processing, if you have successfully passed the property address validation, the Case Number Assignment page appears (see Establish a New Case: Case Number Assignment).

Factors that impact the address validation process include:

- USPS updates the data it provides to the FHA Connection on a quarterly basis. Therefore, some properties, e.g., proposed construction, may not yet be listed in the database provided from USPS.
- The property may be listed in the USPS database with a slightly different address from the one you entered.

Error handling on the processing page takes place as shown in Figure 3:

- If there is a problem, an Error Message is displayed at the top of the page.
- Next to the Error Message notification is the Review Error(s) link that goes to the end of the page where the problem or issue is explained in the Details section.
- The field name where the error occurred is displayed in red.

To resolve the error, you have several options:

- If the address was entered incorrectly, you can correct the address and resubmit, or
- If a suggested address is offered, you may accept the address on record with the USPS and it is automatically entered.
If the address you entered is correct but did not pass USPS verification, check the Override Address Validation checkbox (available only when address validation fails) to temporarily bypass address validation. An alert displays as shown in Figure 4. The entered address is used for continued processing, but this address is marked as not validated against the current USPS data recorded in HUD’s system.

![Override Address Validation alert](image)

Prior to endorsement, a valid address must be entered using Borrower/Address Change (accessed via the Case Processing menu).

**Note:** If the street address is undetermined because of proposed or current construction, the lot, block, and plat information for the property may be entered instead. For a preconstruction property, the case number can be assigned, but the address information must still pass validation later, prior to endorsement.

**Validate Borrower Data.** Information for the primary borrower (**Borr1**) must be entered at this time in the Borrower Data section (Figure 2, lower section). Coborrower data may be entered now or later in the processing cycle; however, before you can process either Insurance Application (or HECM Insurance Application, depending on the case), any other coborrower information must be entered.

**Notes:**

- For a Government Entity (GE) borrower, enter the name of the GE in the Borr1 box (format: Government, Entity), select GE TIN from the SSN/TIN drop down box, and enter the GE’s Taxpayer Identification Number (TIN) (a.k.a. Employer Identification Number (EIN)). The Date of Birth field must be left blank. Additional borrowers must also be GEs and must be entered in this same format.

- For a Nonprofit (NP) borrower, select NP TIN from the SSN/TIN drop down box and enter the NP’s Taxpayer Identification Number (TIN) (a.k.a. Employer Identification Number (EIN)) in the provided boxes. Do not enter any other borrower information and only one borrower may be entered.

- If the HECM Case indicator is Yes, additional “non-borrowing spouse” (NBS) information is required if applicable and verified against Social Security Administration information. (See the FHA Connection Guide module, HECM Insurance Application.)

Borrower information entered at this time is validated against federal government records, for example, HUD’s database to check for borrowers with multiple loans and the Credit Alert Verification Reporting System (CAIVRS) database of delinquent federal debtors.

**Note:** To reduce data entry errors, the SSN/TIN must be re-entered for each borrower entered. After submitting the page for processing, the entries are compared. If they do not match, you are prompted to re-enter the information before continuing.

The identification information (i.e., name, Social Security Number (SSN), and date of birth) for each borrower (and NBS) listed is validated overnight with the Social Security Administration (SSA). The results of the validation can typically be obtained the next business day using Holds Tracking on the Case Processing menu (see the FHA Connection Guide module, Holds Tracking). However, in the meantime, case processing can continue; you can enter the case information and obtain a case number (see Establish a New Case: Case Number Assignment).
Loan Application Certification. For case numbers assigned on or after April 18, 2011, the lender associated with a requested case number must certify that they have an active loan application for the entered property address and borrower(s). The certification statement box at the bottom of the Validate Borrower/Address for Case Number Assignment page must be checked (Figure 3); if the statement is not checked, an alert message is displayed (Figure 5) and a case number cannot be assigned.

![Loan application certification alert message](image)

Establish a New Case: Case Number Assignment

Upon completing Validate Property/Address for Case Number Assignment, continue the process using Case Number Assignment (Figures 6a and 6b). Case Number Assignment has multiple sections:

- **General Information**
- **As Required**
- **Property Address** (information previously entered using Validate Property/Address for Case Number Assignment appears in these fields)
- **Compliance Inspection Fields**
- **Borrower Information** (information previously entered using Validate Property/Address for Case Number Assignment appears in these fields)
- **Lender Notes**
Figure 6a: Top portion of the Case Number Assignment page
User assistance features available for completing some of the Case Number Assignment fields include:

- **Look ups** accessed via the magnifying glass and question mark provide information relevant to that field, e.g., 203k Consultant ID, ADP Code, Assignment ID, Principal Write-down, Program ID, and PUD/Condo ID.
• an interactive calendar to set the date fields:

![Projected Closing Date:](image)

Figure 7: Calendar user aid

After completing all the required fields, click **Send**. If processing is successful, the Case Number Assignment Results page displays the following:

• the assigned case number in the **FHA Case Number** field (this is the unique 10-digit identifier assigned to that mortgage loan by the Federal Housing Administration (FHA))

• a **Warning** message:
  
  *Case Number Has Been Successfully Assigned*
  
  *Warning: Pending Borrower Validation; Check Holds Tracking Next Business Day*

  The next business day, determine if the borrower(s) or non-borrowing spouses passed or failed validation using **Holds Tracking**. (Alternatively, you can use **Case Query** to check an individual case.) If the borrower validation failed, a case warning remains on the case and it *cannot be endorsed* without making the necessary corrections.

  **Note:** Cases that successfully pass borrower validation are *not* listed in **Holds Tracking**.

• view-only fields (for most changes or additions, use the **Update an Existing Case** function, described in the following section).

**Update an Existing Case**

Once the case number is assigned, information on an existing nonendorsed case can be corrected or updated using **Update an Existing Case**.

**Note:** All address and borrower information must be updated using **Borrower/Address Change**.

To update an existing nonendorsed case:

1. On the **Case Number Assignment** menu (Figure 1), click **Update an Existing Case**, and the **Case Number Assignment - Update Existing Case** page (Figure 8a) appears.

2. Enter the case number assigned to the mortgage loan in the **FHA Case Number** field.

3. Click **Send** to submit for processing.

![Case Number Assignment - Update Existing Case](image)

Figure 8a: Case Number Assignment – Update Existing Case

4. The Case Number Assignment Update page appears with available fields open for additions and/or changes (except for address, borrower, NBS, sponsored originator, sponsor/agent, and/or originator information which are view only).
Case Number Assignment Update fields are nearly the same as those in Case Number Assignment (shown previously in Figures 6a and 6b). The additions are that the FHA Case Number appears at the top with the Case Number Assigned on date (above and to the right of the case number) (Figure 8b).

**Note:** Use Case Transfer to record a) the transfer of a case to a new mortgage originator, b) the update of the sponsor or agent for a case, or c) the transfer of a case to/from a sponsored originator.

5. Complete the necessary changes and click to submit for processing.

**User Resources**

This section provides an overview of the role of *What I Need to Know (WINK)* modules and the Help in processing Case Number Assignment, as well as a Detailed Case Number Assignment Tips subsection.

**WINK: Case Number Assignment Assistance**

*WINK* modules are offered at the menu-level, directly adjacent to the function they describe. Open a *WINK* module by clicking the *WINK* icon to the left of the loan processing option of interest (Figure 9), e.g., Case Number Assignment.

The *WINK* module available next to the Case Number Assignment function (Figure 10) provides the high-level overview and a workflow that shows the process and links to details and illustration (Figure 11).
The **WINK** modules accessed via the **Case Number Assignment** menu itself provide very detailed processing procedures, requirements, and problems/solutions.
The illustrated **WINK** modules that are accessed using the WINK icon located next to each function, provide details, list problem solutions, and point out tips to expedite case number assignment processing. For example, **WINK’s About Establishing a New Case** (Figure 13) covers:

- **Before Getting a Case Number** (authorization requirements; the data to enter in 13 key fields)
- **Validating Borrower(s) and Property Address** (why and how; correct address entry; correct borrower information entry; zip code issues; address discrepancy issues; borrower problems)
- **Entering Case Information** (user aids and tips)
- **Case Number Assignment Results** (case number assigned or not assigned)

For example, **WINK’s** About Establishing a New Case (Figure 13) covers:

- **Before Getting a Case Number** (authorization requirements; the data to enter in 13 key fields)
- **Validating Borrower(s) and Property Address** (why and how; correct address entry; correct borrower information entry; zip code issues; address discrepancy issues; borrower problems)
- **Entering Case Information** (user aids and tips)
- **Case Number Assignment Results** (case number assigned or not assigned)

**HELP: Case Number Assignment Assistance**

Use the FHA Connection Help by clicking Help at the upper right of the function page for Business Background, Steps for Processing, and Field Descriptions.

See the Steps for Processing for assistance with each stage of entering, correcting, and overriding address or borrower information.
Detailed Case Number Assignment Tips

The following are some helpful case processing tips/information:

- **Projected Closing Date**: For refinance cases, it is important that the **Projected Closing Date** is correct because the upfront mortgage insurance premium (UFMIP) netting (credit) amount is calculated using this date. If the actual closing date differs by a month or more, the UFMIP netting available for the new case (if any remains) will be less and the UFMIP required will be greater. UFMIP not paid within 10 days of the actual closing is assessed a late fee.

- **Refinance Netting (Credit)**: When an FHA case number is assigned for a refinance case, the netting (credit) authorization information displays at the bottom of the Case Number Assignment Results page in the Refinance Authorization section. This section does not appear again on the Case Number Assignment Results page once you close the page. To view the refinance netting information at a later time, use Refinance Authorization on the **Case Processing** menu.

- **Sponsored Originator**: If using a sponsored originator, a record for the sponsored originator must already exist in Sponsored Originator Maintenance and cannot have a termination date. If the sponsored originator is not already recorded in the FHA Connection, use the Sponsored Originator Maintenance Help (Business Background, Processing Steps, and Field Descriptions) for details concerning how to add the information (your Application Coordinator may provide authorization if needed). Sponsored Originator Maintenance is located on the **FHA Approval Lists** menu.

- **Secondary Residence**: HUD allows a borrower to purchase a secondary residence only under the following limited circumstances:
  
  o Home Ownership Center (HOC) agrees that affordable rental housing meeting the needs of the borrower is not available within the vicinity of the borrower’s employer (100 miles or less),
  
  o the maximum loan amount is 85% of the lesser of the appraised value or sales price of the property, and
  
  o only one secondary residence may be retained and cannot be a vacation home or used for recreational purposes,

If the property is a secondary residence, click **Yes, awaiting HOC approval** from the dropdown list for the question: **Is this a HUD approved secondary residence?** Once HOC approved (entry changed to **Approved**), this field cannot be changed by the lender, only authorized HUD personnel may make a change if needed.