

Case Processing Support Functions

The support functions on the **Case Processing** menu (**Figure 1**) allow you to perform tasks necessary to insure a case. This **FHA Connection Guide** module includes the following sections:

- **Case Processing Support Functions Defined**
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FHA Connection

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Case Processing

Main case processing functions

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Case processing support functions

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Processing a Mortgage for FHA Insurance

What I Need to Know

Binder Selection

HSG/FHA Home Page | HUD Single Family Housing Page
 HUD Multifamily Housing Page | HUDCLIPS | Lenders Information | Mortgagee Letters
 HUD Single Family Housing Policy Handbook 4000.1

Figure 1: Main and support case processing functions on the Case Processing menu

Note: The *FHA Connection Guide* has documentation for the **main** case processing functions as follows:

- **Case Number Assignment** covered in *Case Number Assignment* and *Holds Tracking*
- **Appraisal Logging** covered in *Logging an Appraisal*
- **Insurance Application** and **HECM Insurance Application** covered in *Endorsing a Single Family FHA Case* and *Endorsing a HECM Case*, respectively.

Case Processing Support Functions Defined

The following case processing functions support the tasks you perform in the main case processing functions of **Case Number Assignment**, **Appraisal Logging**, and **Insurance Application/HECM Insurance Application** and assist you in endorsing a case:

- **203k Calculator (with FHA Case Number)** is used for Standard and Limited 203(k) Rehabilitation Mortgage purchase and refinance cases to: determine the maximum base mortgage amount, determine the loan-to-value (LTV) factor for maximum mortgage eligibility, calculate the LTV for application of the annual mortgage insurance premium (MIP), and establish the details of the escrow account.
- **Binder Selection** (available only to lenders approved for the Lender Insurance (LI) Program) is used by LI lenders to track case binders for LI cases for which the submission of a binder is required. LI lenders can get a list of case binders with statuses of requested, received (including binders for cases awaiting endorsement), or not accepted, as well as case binders for which additional documentation was requested or received by the HOC.
- **Borrower/Address Change** allows, for a nonendorsed case, the change or addition of information including borrower information (name, Social Security Number (SSN), and birth date), property address, and some case details, depending upon the case's processing status. If you receive a duplicate address error, contact your local HOC for assistance. Updates to borrower identification information must be validated against government records overnight. Use **Holds Tracking** the next business day to determine whether the borrower information passed or failed validation (see **Holds Tracking**). For other functionality, see the section **View the Same Case in Other Functions**.
- **CAIVRS Authorization** may be used to determine if a potential borrower/coborrower has past default, claim, judgment, or foreclosure records in the Credit Alert Verification Reporting System (CAIVRS), a federal interagency database with delinquent debt information from HUD and the Departments of Agriculture, Education, Veterans Affairs, and Small Business Administration, and lien information from the Department of Justice.
- **Case/Appraisal Transfer** allows you to transfer a case and appraisal from the originating lender of record to a new lender prior to endorsement. (This often happens when a loan is acquired/purchased by a new lender.) The case's sponsor/agent and/or sponsored originator may also be changed on this page as needed. The case/appraisal transfer request must be initiated by the current originator, sponsor/agent, or remitting lender. To transfer a case **after endorsement**, use the **Servicer/Holder Transfer** option under the **Single Family Servicing** menu.
- **Case Query** provides view-only information on a specific case as it progresses through the FHA mortgage insurance process. Case Query is a powerful tool, allowing you to find a case based on case number or other relevant case information, such as property address, borrower name, or SSS/TIN. After retrieving the case, you can view details in Case Query including the status of the case, property address, case type, upfront and annual MIP factors, MIP amount/received date, and dates of specific actions, such as appraisal or closing package logging. Refer to the section, **Using Case Processing Support Functions**, for detailed explanation and illustration of Case Query's capabilities and how to use them, including its subsection, **View the Same Case in Other Functions**.
- **Conditional Commitment** allows the originator or sponsor/agent to view and print the Conditional Commitment form issued by HUD for a HUD-processed case. It is not used for direct endorsement (DE) cases. The form provides the terms of HUD's conditional commitment for mortgage insurance for a specified case. If a conditional commitment was not agreed to by HUD, the form includes the rejection reason codes. The Conditional Commitment form is form HUD-92800.5B.
- **Counseling Certificate** may be used by authorized counselors, counseling agency application coordinators, lenders, and HUD personnel. The type of user determines what information is available

and what processing may be performed, such as: (A) Counselors may enter information for a completed housing counseling session and generate the counseling certificate; (B) Housing agency's FHA Connection Application Coordinators may search for/view/update certificates generated by counselors employed by the agency; (C) Lenders may search for/view a client's certificate but must first have written authorization; and (D) HUD personnel may search for/view all certificates.

- **EEM Calculator** allows lenders to determine the maximum allowable Energy Efficient Mortgage (EEM) amount for energy efficient home improvements. The mortgage amount for an FHA-insured EEM can be increased by the cost of effective energy improvements as per regulations established by the FHA.
- **Electronic Binder Additions Upload** (available only to lenders approved for the Lender Insurance (LI) program) is used by LI lenders to add requested (e.g., missing, additional, or revised) documentation to the electronic case binder.
- **Escrow Closeout** allows the originator, sponsor, holder, or servicer to certify that the escrow held for repairs or improvements for an FHA-insured loan (case) has been properly closed out. This can be used for the following escrow types: 203k, Energy Efficient Mortgage (EEM), HUD REO, and Repair. Also, the lender can specify any amount held in escrow that was applied to the loan principal. The certification of an escrow closeout can be reversed by authorized HUD Homeownership Center (HOC) personnel using Escrow Closeout.
- **Firm Commitment** allows the originator or sponsor/agent to view and print the Firm Commitment form issued by HUD for a DE test (preclosing) case or a HUD-processed case. For HUD-processed cases and DE cases being processed by lenders with only preclosing authorization, the Firm Commitment must be issued prior to beginning the endorsement process. The Firm Commitment is a promise by HUD to insure a mortgage for a specific borrower and property based on the designated terms and conditions. If HUD determines that the borrower is not credit worthy for the mortgage, a Firm Commitment Reject is issued instead.
- **HECM Calculator** is used by authorized lenders and HECM housing counselors/personnel to calculate the principal limit of a Home Equity Conversion Mortgage (HECM) and to analyze and compare different payment options.
- **HECM Financial Assessment** is used by lenders for HECM cases assigned a case number on or after April 27, 2015. It must be completed before processing HECM Insurance Application to evaluate the ability of the borrowers to meet their financial obligations in a timely manner and comply with HECM requirements.
- **HECM Referral** allows lenders to specify the housing counseling agencies to which the borrower(s) of a Home Equity Conversion Mortgage (HECM) loan was referred.
- **Inspector Assignment** allows you to initially assign an inspector, reassign an inspector, enter or update compliance inspection information, and delete the inspector and compliance inspection information record. An inspector may be assigned to the case after processing through the Case Number Assignment page. Once insurance is issued, case information may be queried but not changed (except for 203k case information which may be queried or updated). Use **Inspectors (FHA Approval Lists)** menu) to view the FHA Inspector Roster to determine the inspector you wish to assign to the case.
- **MIC/NOR List** allows a lender to request a list of cases that were either recently:
 - Endorsed for mortgage insurance and electronically issued a Mortgage Insurance Certificate (MIC) via the FHA Connection, or
 - Not endorsed for mortgage insurance and issued a Notice of Non-Endorsement/Return (NOR)

A MIC/NOR list may be requested for only cases that the lender originated or acted as a sponsor or agent. Branch offices of the same lender may request a MIC/NOR list for any related branches. Request MIC/NOR lists by specifying the **Last Action** of either *Insured* or *NOR*. Based on your specification, either a MIC list is generated (comprising endorsed cases for which MICs are available on the FHA Connection (see **Mortgage Insurance Certificate**)), or a NOR list is generated (comprising nonendorsed cases for which NORs have been issued (see **Notice of Return**)).

- **MIP Calculator** enables you to determine the upfront mortgage insurance premium (MIP) and annual MIP for FHA cases assigned an FHA case number on or after July 14, 2008. (For more information regarding MIP rules, see HUD Handbook 4000.1.) The MIP Calculator is not used for Home Equity Conversion Mortgage (HECM) cases or cases under the following Sections of the National Housing Act: Section 223(e) - Declining Neighborhoods, Section 238(c) - Military Impact Areas in Georgia and New York, Section 247 - Hawaiian Homelands, and Section 248 - Indian Lands. Mortgagee Letter 2008-16 provides details on FHA mortgage insurance premiums based on loan characteristics.
- **Mortgage Credit Reject** maintains borrower credit rejection information for a direct endorsement (DE) case (but not for a DE Home Equity Conversion Mortgage (HECM) case). An FHA-approved underwriter may determine that a borrower poses a credit risk and is ineligible for a mortgage. If a borrower with a mortgage credit rejection record applies for another FHA-insured loan, the lender is alerted when requesting a case number through **Case Number Assignment**.

A lender can add, update, delete, or view borrower mortgage credit rejection information for a nonendorsed DE case, depending on the authorization(s) associated with the lender's FHA Connection ID. Mortgage credit reject records for non-DE cases can only be viewed.


For a preclosing DE case, one that is being processed by a newly authorized DE lender or a lender that is under disciplinary action, the initial mortgage credit rejection record must be entered into HUD's origination system by the HUD Homeownership Center (HOC). Once the initial record is established, the lender can use **Mortgage Credit Reject** to maintain mortgage credit rejection records for the case.

Borrower information used when processing a mortgage credit reject record can be obtained from the borrower's mortgage application form (Uniform Residential Loan Application).

- **Mortgage Insurance Certificate** can be used by the originator, sponsor, agent, or servicer to view and print a Mortgage Insurance Certificate (MIC). This serves as evidence of FHA insurance on the mortgage loan. **Mortgage Insurance Certificate** can be used for all FHA cases endorsed since 1986. For cases endorsed prior to 1986, duplicate MIC requests are submitted to the HOC. In addition, a request to the HOC must be submitted for correcting information on the MIC that cannot be corrected by the lender (see HUD Handbook 4000.1, Section II.A.7.e.ii.).
- **Notice of Return** is used by authorized HUD personnel to specify the reason(s) a mortgage loan (case) cannot be endorsed for FHA insurance. When a Notice of Return (NOR) is issued for a case, the case binder (closing package) is returned by the HUD Homeownership Center (HOC) to the originator or sponsor/agent of the loan. The originator or sponsor/agent can use **Notice of Return** to view and print the NOR. When the problem is resolved and any necessary case information has been updated, the case binder can be resubmitted to the HOC.
- **Post-endorsement Borrower SSN Correction** allows originators, sponsors, holders, or servicers to use the FHA Connection to correct borrower SSNs after endorsement. The case must be active in the Single Family Insurance System (SFIS).
- **Refinance Authorization** is used following case number assignment for a new refinance case to obtain the refinance authorization number (and expiration date) that verifies the old case being refinanced and to view the upfront mortgage insurance premium (UFMIP) information, including earned and refundable amounts from the old case. The information covers a two-month period—the indicated month and the following month—and is based on the closing date entered. **Refinance Authorization** is also used to update the projected closing date, which extends the refinance expiration date, and to update the lender's contact name and telephone number. Prior to case number assignment for the new loan, use **Refinance Credit Query** (see below) to view the UFMIP information and refinance credit available for an active FHA case being refinanced. When you enter the FHA case number in the **FHA Case Number** field, be sure to enter the **new** case number, not the case number for the original loan. (This function is not used for HECM refinance cases.)

- **Refinance Credit Query** is used before case number assignment to determine the refinance credit available for an active FHA case being refinanced. The 30- and 60-day calculations provided are based on the projected closing date entered for the new loan. After case number assignment for the new loan, use **Refinance Authorization** (see above) to view refinance information (including the refinance authorization number) and to update the projected closing date. (This function is not used for HECM refinance cases.)
- **Secondary Financing** enables you to view and enter information regarding funds directly provided to a borrower by federal, state, or local governments, their agencies, or instrumentalities to meet the required minimum cash investment for an FHA DE case. A maximum of five secondary finance sources can be entered for a case.

Using Case Processing Support Functions

This section explains how to use the case processing support functions to perform loan processing tasks. Similar to many other FHA Connection functions, you begin work using a query page to make selections or enter case data to retrieve the case(s)/ information you need from HUD databases. Examples of page types that you may retrieve include list pages (select among multiple cases) or results pages (view a specific case and its data). To move through the processing cycle, click  to process your inputs and receive the next page of case detail or other target information.

Constructing a Query

Key to constructing a successful query is the choice and/or combination of selection (search) criteria. The procedure used in the **Case Query** function illustrates this process via the following example.

Note: **Case Query** is an important tool to be aware of as it allows you to determine the current status and many case details of an FHA case as it progresses towards insurance endorsement.

EXAMPLE – HOW TO CONSTRUCT A QUERY (illustrated using the **Case Query** function):


1. Select **Case Query** from the **Case Processing** menu. This opens the initial Case Query page for use of its data input/query capabilities (**Figure 2**).
2. Query pages provide data fields or drop-down lists with options for you to:
 - Use a **unique identifier**, i.e., the FHA case number (**Figure 2**), to retrieve information on a **specific case** and to display its details, e.g., on the Case Query Results page (**Figure 4**).
 - Enter more general identifiers to retrieve a **selection list**, e.g, by entering a borrower name. This is illustrated in the Case Query List page (**Figure 3**). On a list page, you can select the case to view in detail, e.g, on Case Query Results page (**Figure 4**).
3. Click  to reach Steps for Processing guidelines on selection of search criteria most appropriate to the function/task of interest.

Figure 2: Case Query page

Retrieving Results

When you enter criteria that retrieves multiple results, a list page appears. For example, if you enter borrower name information on the Case Query page, a Case Query List page such as that shown in **Figure 3** may appear listing the names of multiple borrowers. Review the options presented, select the case that best fits your specifications, and click **Send**.

Select One	Case Number	Borrower	Address	Last Action
<input type="radio"/>	3611234567	THOMAS, THOM T	123 TENTH ST S	INSURED
<input type="radio"/>	3612345678	THOMAS, DOWTING	345 REVEAL RD	INSURED
<input type="radio"/>	3613344556	THOMAS, TRAHN	111 W ENGINE AVE	APRSL REQD
<input type="radio"/>	3613456789	THOMAS, JEFF	2345 MT CELLO ST	INSURED
<input type="radio"/>	3614444445	THOMAS, EDDY S	678 FORD RD	APRSL LOG
<input type="radio"/>	3614567890	THOMAS, HANK	7890 MOVIE DR	INSURED

Figure 3: Section of Case Query List page

The Case Query List page (**Figure 3**) is representative of other list pages on the FHA Connection. It includes key information in the list display to assist in making a selection. For example, **Case Query** provides fields with identifying information such as case number, borrower name, address information, and last action, e.g., insured or appraisal logged. The number of records retrieved is displayed at the top of the page, along with the number of records displayed on the page and the number of pages of information retrieved. When you select a specific case using Case Query List, the Case Query Results page appears.

The Case Query Results page is also representative of other FHA Connection results pages. It displays detailed case information. As on other pages (as applicable), it also offers links to more detail. For example, the Originator (lender) information link illustrated in the Case Query Results example (**Figure 4**) provides detail on the loan originator (lender).

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 Welcome

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Case Query Results Help Links ?

SUCCESS Other Functions

CASE QUERY SUCCESSFULLY COMPLETED
 ALL BORROWERS PASSED SSN VALIDATION -NAME, SSN OR DOB CHANGES WILL REVALIDATE

FHA Case Number: 371-1234567
 Borrower Name: ADAMSON, ADAM
 Property Address: 123 MAIN ST
 COLONIE NY 122050000

Originator Name: [MORTGAGE LOAN MORTGAGES INC.](#) Link to additional information

Case Type: REGULAR DIRECT ENDORSEMENT (ADP Code 703)

Endorsement Processed by: LENDER	Binder Status: NOT REQUESTED
Appraiser License: NY12300045678	Case Number Assigned Date: 12/28/18
Appraiser Name: ERICKSON, ERICA E	Appraisal Logged Date: 01/10/19
Insurance Application Date: 03/22/19	Appraisal Update Processing Date:
Insurance Date: 03/22/19	Closing Date: 03/06/19
Upfront MIP Due: \$3,884.12	Upfront MIP Received Date: 03/09/19
Upfront MIP Received: \$3,884.13	Upfront MIP Late Due?:
Upfront MIP Factor: 1.750%	Annual MIP Factor:
Appraised Value: \$231,000.00	TOTAL Score Date:
Loan Term: 360	Mortgage Amount:
Closing Package Date: 03/22/19	Closing Package Resubmission Date:
NOR Date:	NOR Resubmission Date:
Case Canceled Date:	Principal Reduction:
Last Action Date: 03/22/19	
Last Action: INSURED	

[Loan Balance at Final MIP Date:](#) N/A
[Final Monthly MIP Payment Date:](#) 03/49

New Request

Loan Balance at Final MIP Date and Final Monthly MIP Payment Date
 The information displayed in the Loan Balance at Final MIP Date and Final Monthly MIP Payment Date fields depends on the following:
 • FHA Case Number Assigned on or after June 3, 2013
 • FHA Case Number Assigned before June 3, 2013 and Closing Date after December 31, 2001
 FHA Case Number Assigned on or after June 3, 2013: Per Mortgagee Letter 2013-04, the duration of monthly (annual) mortgage insurance premium (MIP) payments is based on the amortization term and loan-to-value (LTV) ratio at loan origination as follows:

Term	LTV at Loan Origination	Monthly MIP Payments
Less than 15 years		

Figure 4: Case Query Results page

View the Same Case in Other Functions

As applicable, e.g., in the support functions of **Borrower/Address Change** and **Case Query**, you can use the **Other Functions** option (**Figure 4**) to view the same case (and its related detail) in other functions, e.g., **Case Number Assignment**, **Appraisal Logging**, **Borrower/Address Change**, **Insurance Application**, or **Mortgage Insurance Certificate**.

Make a New Request

Another option available is to submit a new query (new request) for the function you are currently using. To do this in **Case Query**, for example, click **New Request** at the bottom of the page or click **Case Query** in the menu path ("breadcrumb trail") in the red banner at the top of the page (**Figure 4**). The initial Case Query page (**Figure 2**) appears for you to submit a new request.