Single Family Delinquent Loans

Lenders are required to report single family FHA-insured mortgages for which one full installment is due and unpaid (30 days delinquent) and must continue to report the loan’s status until the delinquency is resolved (e.g., loan paid in full, property conveyed to HUD, etc.). Delinquency information must be reported by the fifth business day of the next month. For example, delinquency information for the month of July must be reported by the fifth business day of August.

HUD uses the reported information to track the status of FHA-insured mortgages and trends in the industry. The Social Security Numbers of delinquent borrowers are given to HUD’s Credit Alert Verification Reporting System (CAIVRS), which is used for screening borrowers for FHA-insured mortgages.

The FHA Connection can be used by lenders for reporting purposes. However, lenders with large portfolios are advised to use electronic data interchange (EDI) and limit the use of the FHA Connection for exception reporting or for validating information previously submitted via EDI.

The FHA Connection’s Delinquent Loans menu provides options for reporting delinquent FHA-insured loans, including:

- **Delinquent Loan Reporting Registration** allows lenders to register with HUD’s Single Family Default Monitoring System (SFDMS). Registration must be completed before reporting delinquent loans via the FHA Connection. Registered lenders receive monthly mailings of HUD’s Monthly Delinquent Loan Report (TS 824).

- **Delinquent Loan Reporting** allows registered users to report and update information on cases with loans that are 30 or more days delinquent. After a loan delinquency is initially reported for a case, the information can be retrieved later for viewing and/or updating. Cases with reported delinquent loans appear in the Monthly Delinquent Loan Report.

- **Delinquent Loan Status** allows registered users to view a list of loan delinquency reports (transactions) processed for an FHA case. Transactions include the initial reporting of the loan delinquency, monthly updates, and any corrections. The 100 most recent transactions for the case are displayed.

- **Active Default Case Query** allows registered users to view a list of cases in a lender’s portfolio currently in default, according to HUD’s records. For each case, links to Delinquent Loan Reporting and Delinquent Loan Status are provided.

This FHA Connection Guide module includes:

- Accessing the Delinquent Loans Menu
- Registering for Delinquent Loan Reporting
- Reporting a Delinquent Loan
  - Monthly Delinquent Loan Updates
  - Corrections to Information Reported
- Getting the Status of a Delinquent Loan
- Getting a List of Loans Currently in Default
Accessing the Delinquent Loans Menu

After signing on to the FHA Connection, follow this menu path to access the Single Family Insurance Delinquent Loans menu (Figure 1): Single Family FHA > Single Family Servicing > Delinquent Loans.

Registering for Delinquent Loan Reporting

Before delinquent FHA-insured loans can be reported or viewed, the lender must use Delinquent Loan Reporting Registration to register with HUD’s Single Family Default Monitoring System (SFDMS).

1. On the Delinquent Loans menu (Figure 1), click Delinquent Loan Reporting Registration. The Delinquent Loan Reporting Registration page appears with the 10-digit ID issued to the lender by the FHA.

2. Click . If the lender is not registered, the Delinquent Loan Reporting Registration Results page appears (Figure 2).

   -or-

   If the lender is registered, the Delinquent Loan Reporting Registration Update page appears with the lender’s information.

3. Enter the required information or correct existing information. Information must be entered in all fields except Extension.

4. Click . The Delinquent Loan Reporting Registration Results page appears with a message stating the information was successfully added or updated.
Reporting a Delinquent Loan

To report a delinquent loan for the first time, do the following:

1. On the Delinquent Loans menu (Figure 1), click Delinquent Loan Reporting. The Delinquent Loan Reporting page appears.

2. Type the first 9 digits of the 10-digit number the FHA assigned to the loan in the FHA Case Number field and click Send. The Delinquent Loan Reporting Update page appears with the information HUD has for the case (Figure 3). Reporting New Delinquency is displayed as the Transmission Type and the Current Transaction sequence number is 000.

3. Enter the information required in all fields.

4. Click Send. The Delinquent Loan Reporting Results page appears with a message stating the information was successfully completed.

Note: Online help is available by clicking Help Links.

Monthly Delinquent Loan Updates

Continuous monthly reporting of the status of the loan is required until reporting requirements are fulfilled (e.g., conveyance, pre-foreclosure sale, etc.). The Delinquent Loan Reporting function is used to report monthly updates. On the Delinquent Loan Reporting Update page (Figure 3), a number of 001 or greater is displayed in the Current Transaction sequence number is field. In the Transmission Type field, Updating Existing Delinquency is selected. Then, information is updated as necessary and processed (e.g., changes to Default Status, Unpaid Balance, or Occupancy Status).
Corrections to Information Reported

If there is an error in the loan delinquency information reported, the **Delinquent Loan Reporting** function is used to make the correction. On the Delinquent Loan Reporting Update page (**Figure 3**), select **Correcting Existing Delinquency** in the Transmission Type field. Then, make the correction and process.

**Figure 3: Delinquent Loan Reporting Update page**

The Transmission Type field indicates if a new delinquency is being reported or an existing delinquency is being updated or corrected.

**Figure 3** shows the Delinquent Loan Reporting Update page with fields for entering data, including:

- FHA Case Number
- ADP Code
- Mortgage Loan No.
- Transmission Type
- Borrower Name
- Borrower SSN
- Co-Borrower Name
- Co-Borrower SSN
- Street
- City
- State
- Zip Code
- First Payment to Principal & Interest

All date fields below will be entered in (mm/dd/yyyy) date format.

- Oldest Unpaid Installment
- Unpaid Balance
- Default Status
- Default Status Date
- Occupancy Status
- Occupancy Status Date
- Reason for Default

Data Values in these fields are pre-filled either from the HUD Single Family Insurance System (for new default reports) or from the Single Family Default Monitoring System (for Updates and Corrections to Open Default Episodes). Values may be updated in the Default Monitoring System (only), at this time, by the Reporting Servicer.
Getting the Status of a Delinquent Loan

To get the status of a reported loan delinquency for an FHA case, do the following:

1. On the Delinquent Loans menu (Figure 1), click Delinquent Loan Status Request. The Delinquent Loan Status Request page appears.

2. Type the first 9 digits of the 10-digit number the FHA assigned to the loan in the FHA Case Number field.

3. Click . The Delinquent Loan Status Results page appears (Figure 4).

4. Click a number in the Transactions field to display the Delinquent Loan Reporting Update page (Figure 3) with the details of the transaction.

In Figure 4, the codes that may be displayed in the Transaction Type field are:

- **N**: Case (loan) was reported as a new delinquency
- **U**: Monthly update of the reported delinquency
- **E**: Electronic Data Interchange (EDI)
- **C**: Correction of an error through the FHA Connection
Getting a List of Loans Currently in Default

To get a list of loans that were reported to HUD as delinquent, do the following:

1. On the Delinquent Loans menu (Figure 1), click Active Default Case Query. The Active Default Case Query page appears (Figure 5).

   ![Active Default Case Query - F42ADCQ](image)

   **Figure 5: Active Default Case Query page**

   - Sorted by: 
   - Servicer ID: 
   - Search Criteria Data Filter Selections: (Optional)
     - MM/DD/YYYY
   - Reporting Cycle Date:  
     - Enter last day of the month (mm/dd/yyyy) when entering cycle date search criteria.
   - NOTE: Selecting Filter Options below will increase Query time for Lenders with Large Portfolios
     - SOA ADP Code
     - Months Delinquent: Select One
     - Default Status: Select One
     - Reason for Default: Select One
     - Occupancy Status: Select One
     - Bankruptcy Status: Select One

2. Enter the search criteria. The first five digits of the 10-digit FHA ID issued to the lender are entered in the Servicer ID field. All other search criteria are optional. If the Reporting Cycle Date field is left blank, the current reporting cycle is used. To get delinquencies for an earlier reporting cycle, enter the last day of a previous month.

3. Click Send. The Active Default Case Query Results page appears (Figure 6 and Figure 7).
   - Clicking a number in the Case Number field displays the Delinquent Loan Reporting Update page with details on the latest delinquency transaction processed for the case (Figure 3).
   - Clicking a number in the Transactions field displays the Delinquent Loan Status Results page with a list of all delinquency transactions processed for the case (Figure 4).
Figure 6: Active Default Case Query Results page (left side)

Figure 7: Active Default Case Query Results page (right side)

Message: DEFAULT QUERY REQUEST SUCCESSFULLY COMPLETED

Click a case number for details on the latest transaction

Cases selected for Servicer ID 99999 as of 08/04/2009
(4 records were selected, 4 records displayed.)

<table>
<thead>
<tr>
<th>Case Number (Click to view Details)</th>
<th>Trans Num (Click to view History)</th>
<th>Cycle Date</th>
<th>Loan Number</th>
<th>Borrower Name</th>
<th>Case Last Updated</th>
<th>Default Status</th>
<th>Default Status Date</th>
<th>Run for Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>073-206118</td>
<td>9</td>
<td>06/30/2009</td>
<td>18960200678</td>
<td>KELLER AUDREY</td>
<td>07/27/2009</td>
<td>42</td>
<td>04/30/2009</td>
<td>015</td>
</tr>
<tr>
<td>055-209140</td>
<td>7</td>
<td>06/30/2009</td>
<td>38310000452</td>
<td>STEIN JACOB</td>
<td>07/27/2009</td>
<td>42</td>
<td>01/31/2009</td>
<td>006</td>
</tr>
<tr>
<td>154-319896</td>
<td>1</td>
<td>06/30/2009</td>
<td>1278994837</td>
<td>HICKS ROBERTA</td>
<td>07/30/2009</td>
<td>42</td>
<td>06/30/2009</td>
<td>016</td>
</tr>
<tr>
<td>212-076164</td>
<td>3</td>
<td>06/30/2009</td>
<td>2065302407</td>
<td>ROGERS DUK</td>
<td>04/21/2009</td>
<td>42</td>
<td>01/31/2009</td>
<td>015</td>
</tr>
</tbody>
</table>

Search criteria:
Servicer ID: 99999
Sorted by: Case Number
Sorted by: 06/30/2009

Search criteria that was entered on the Active Default Case Query page (Figure 5)