Monthly Premium Payments

Periodic (monthly) mortgage insurance premiums are collected for all Risk-based and Section 530 cases requiring monthly premium. This includes billed cases and non-billed (e.g., non-endorsed) cases. Bills are generated on or about the evening of the 15th day of the month and are available on or about the 17th day of the month. Monthly premiums are due the 1st of the month following billing; however, lenders are given a grace period until the 10th of the month. Currently, a four percent (4%) late charge is assessed on any current premium owed that is unpaid by the 11th day of the month (i.e., premium billed in the prior month and due the first of the month) and any premium outstanding at the time of billing due to the removal of funds from the case (e.g., refund, reallocation, or debit voucher). For further information regarding monthly mortgage insurance premiums, see the ***Single Family Premium Collection Subsystem-Periodic Information Packet*** located on the HUD.gov website at:

https://www.hud.gov/program_offices/housing/comp/premiums/sfpcsp5.

Monthly Premium Payment Methods

All periodic (monthly) mortgage insurance premium payments are sent electronically to HUD, either through the:

- FHA Connection, or
- CPU to CPU batch file transmission.

HUD's automated collection service processes all payments electronically (electronic funds transfer or EFT) through the Automated Clearing House (ACH) using a business checking account or general ledger account debit. The Federal Reserve Bank of Cleveland, the ACH agent for the U.S. Department of the Treasury, is used for the ACH debit.

The lender must set up a Title II cash flow account for *Single Family Periodic Premiums* to be used by the automated collection service for withdrawing funds. The cash flow account must be identified in the Lender Electronic Assessment Portal (LEAP). Further information on LEAP and setting up a cash flow account is available on the HUD.gov website at:

https://www.hud.gov/program_offices/housing/sfh/lender/SFH_Lenders_LEAP and

https://www.hud.gov/program_offices/housing/comp/premiums/sfgetstp.

A high-volume lender with over 3,000 cases in its portfolio must use the CPU to CPU batch file transmission method of paying monthly premium. A lender with 3,000 or less cases in its portfolio can use the FHA Connection or CPU to CPU batch file transmission method. Further information on CPU to CPU batch file transmissions is available on the HUD.gov website at:

https://www.hud.gov/program_offices/housing/comp/premiums/sfbchinp.

Monthly Premiums Menu on the FHA Connection

On the FHA Connection, lenders and authorized service bureaus use the **Monthly Premiums** menu options (**Figure 1**) for:

- **Payments:** View, update, add, and submit monthly premium payments, track the status of an online or CPU to CPU batch file payment, and view a list of payments sent within the current billing period through CPU to CPU batch file transmissions. This ***FHA Connection Guide*** module addresses payment transactions.
- **Refunds:** Creating and tracking refund requests. For further information, see the ***FHA Connection Guide, Monthly Premium Refunds*** module.
- **Reports:** Generating and retrieving electronic report files that help determine the lender's portfolio of FHA cases on record, monthly mortgage insurance premiums due, and any discrepancies in the billing-payment process, as well as related case transactions. For further information, see the ***FHA Connection Guide, Monthly Premium Reports*** module.

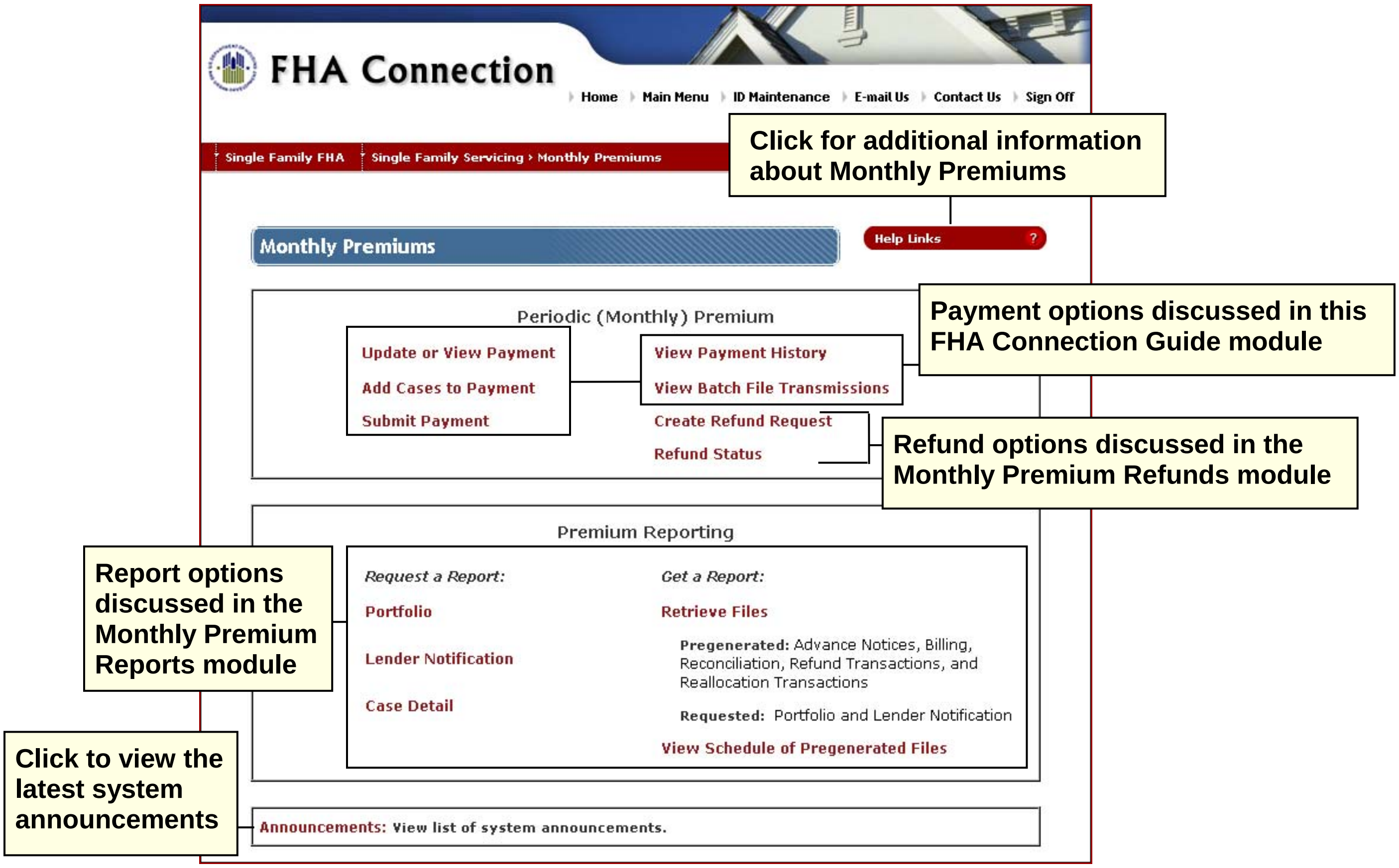

Figure 1: Monthly Premiums menu

On the FHA Connection, authorized users can submit monthly premium payments on business days between the hours of 8:00 a.m. to 8:00 p.m. ET. However, only payments submitted and received before 8:00 p.m. ET are processed that day. Payments received after 8:00 p.m. ET have a "received date" of the next business day (the Federal Reserve holiday calendar is observed). Late charges are assessed based on the received date. A payment cannot be warehoused. More than one payment can be submitted per day.

Accessing the Monthly Premiums Menu

To sign on to the FHA Connection and access **Monthly Premiums**, you must first be:

- an authorized employee of an FHA-approved lender or service bureau,
- registered to use the FHA Connection, and
- authorized to access **Monthly Premiums** functions.

If you do not have an FHA Connection user ID, see the ***FHA Connection Guide***, ***FHA Connection Registration Procedures*** module for instructions on how to apply for and receive a user ID.

If you already have a user ID but are unable to access the **Monthly Premiums** options that you need to use, contact your Application Coordinator to request authorization to the required **Monthly Premiums** options, e.g., *Update or View Payment, Submit Payment, Portfolio*.

Note: Lenders using a service bureau to submit monthly premium payments must authorize the service bureau to use the payment functions before *service bureau* Application Coordinators can authorize their organization's users. A *lender's* Application Coordinator must have at least ***Portfolio*** authorization within **Monthly Premiums** in order to grant **Monthly Premiums** authorizations to their service bureau. See the ***FHA Connection Guide***, ***Service Bureau Administration*** module for more information.

After signing on to the FHA Connection, follow this menu path: **Single Family FHA > Single Family Servicing > Monthly Premiums**. The **Monthly Premiums** menu appears (**Figure 1**).

Online Payment Process

On the FHA Connection, the basic monthly mortgage premium payment process is as follows:

1. Lenders with 3,000 cases or less use the **Update or View Payment** menu option to view their current bill and make any necessary changes.
2. If cases need to be added to the bill, the **Add Cases to Payment** menu option is used. High-volume lenders that submit payments through CPU to CPU batch file transmission can use **Add Cases to Payment** to make a payment for cases that were not included in their batch file or for which an additional monthly premium payment is necessary. Then, **Update or View Payment** can be used to view the cases that were added.
3. The **Submit Payment** menu option is used to submit the payment.
4. The **View Payment History** menu option is used to track the payment.

Viewing/Updating Billed Cases for Payment

For lenders with 3,000 or less cases in their portfolio, the **Update or View Payment** menu option is used to retrieve a list of cases serviced by the lender that were billed for monthly mortgage insurance premium on or about the 17th day of the month. The list provides the total amount billed for each case for the current billing period. It includes cases that are billed $0.00 but does not include non-endorsed cases. You can select or deselect cases for payment and update the payment amount as needed. Missing cases can be added using **Add Cases to Payment**, described below.

The list is available from the current billing period until the next billing period. Therefore, a list of billed cases available on or about June 17 is due for payment by July 1. Only the total billed amount is provided for each case. Use the **Billing** report to get a breakdown of the premium and late charges.

Once processed, payment details can be downloaded to a Microsoft® Excel® spreadsheet file, but cannot exceed the 10,000-case limit.

To use the **Update or View Payment** option, do the following:

1. Access the **Monthly Premiums** menu as previously outlined.
2. On the **Monthly Premiums** menu, click the **Update or View Payment** option. The **Update or View Payment Selection** page appears (**Figure 3**).

   Note: For service bureaus authorized to pay monthly mortgage insurance premiums for multiple lenders, the **Update or View Payment Request** page appears (**Figure 2**). The specific lender must be selected from the drop-down list in the **Mortgagee** field before continuing to the **Update or View Payment Selection** page (**Figure 3**).

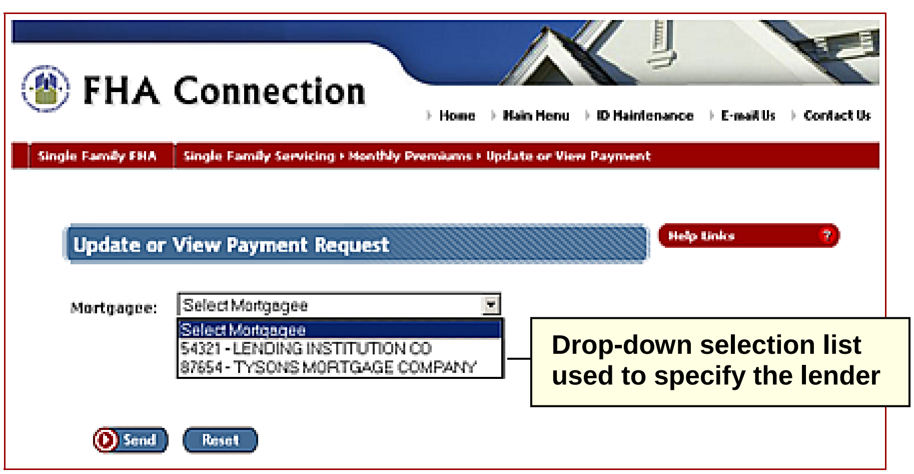

Figure 2: Update or View Payment Request page used by service bureau users

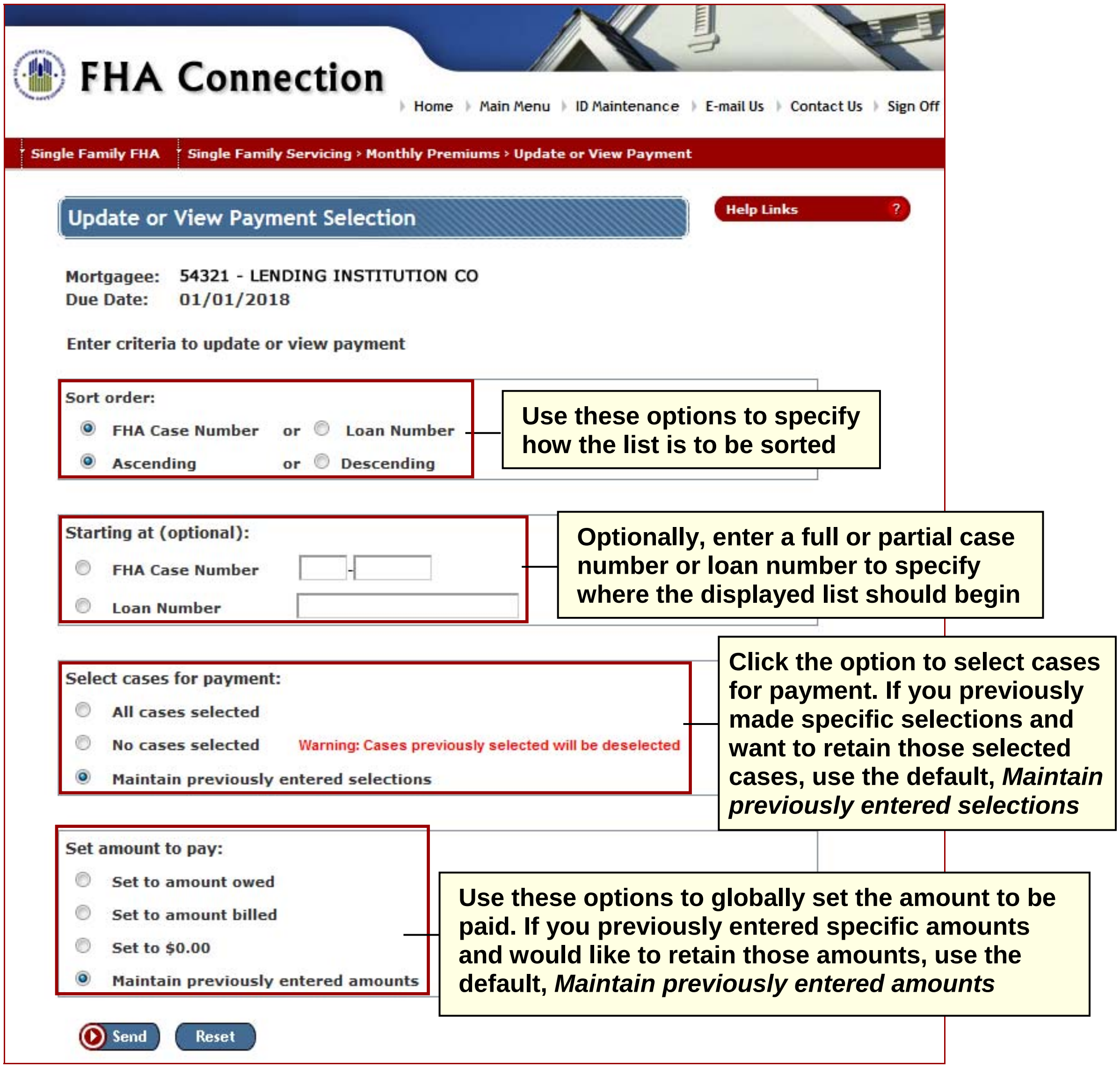

Figure 3: Update or View Payment Selection page

The **Update or View Payment Selection** page is used to specify how case list is to be displayed and the method for selecting cases.

Note: Selection criteria does *not* limit the size of the case list displayed. It allows you to change how it is viewed or the starting point of the list.

3. Keep the default sort order for your list of cases (in order by case number in ascending order) or change using the options in the **Sort order** box.

4. Optionally, enter the whole or partial case number or loan number (assigned by the lender) to begin your list of cases at a specified case or loan number.

   Note: All cases are retrieved and displayed. Cases coming before your specified number are displayed on prior pages and you can go back and forth through the list to see all of the cases.

5. The **Select cases for payment** box allows you to indicate a global selection (or non-selection) for all cases in your list (**Figure 3**). Options include:

   - ***All cases selected***: A*ll cases* on your payment list are selected for payment. Once the list is displayed (**Figure 4**) you can deselect cases as needed.
   - ***No cases selected***: *No cases* on your payment list are selected for payment. Once the list is displayed (**Figure 4**) you can select cases as needed.
   - ***Maintain previously entered selections***: All previous case selection/deselection changes for the current billing period are retained and displayed. **This default option is <u>recommended</u> after making changes to the case payment list.**

   Important Note: If you made changes by selecting or deselecting cases for payment, those changes are overridden if you then select ***All cases selected*** or ***No cases selected*** on the **Update or View Payment Selection** page. You must select ***Maintain previously entered selections*** to view the list and *retain your changes until the next billing report is run or this payment is processed*.

6. The **Set amount to pay** box allows you to globally indicate a payment amount for all cases on your list (**Figure 3**). Once the list is displayed, all payment amounts can be manually updated as needed. Options include:

   - ***Set to amount owed***: Payment amount for each case in the payment list will be set to the current amount owed on the case for the current period based on the billed amount less any payments made during that period.

     Note: Amount owed does *not* include any refunds, adjustments, or reallocation transactions that may have taken place *after* the bill was run for the current billing period.
   - ***Set to amount billed***: Payment amount for each case in the payment list will be set to the amount billed for that period as shown on the lender's **Billing** report.
   - ***Set to $0.00***: Payment amount for each case on the list will be set to zero ($0.00).

     Important Note: Payment amounts previously entered for the current billing period cannot be restored if this option is selected.
   - ***Maintain previously entered amounts***: Previously listed or manually entered amounts are retained. This is the default setting.

7. Click Send. The **Update or View Payment** page appears (Figure 4). Cases are displayed in groups of 25.
8. You may select/deselect cases by clicking the corresponding **Select** box, and/or change the amount listed in the **Amount to Pay** box.
9. When viewing and editing the case payment information, you can:

   - undo the changes you have made on the page you are currently viewing, click **Reset**,
   - save the changes on the page you are currently viewing and go to the next page, click **Next**,
   - save the changes on the page you are currently viewing and go to the previous page, click **Prior**,
   - save the changes on the page you are currently viewing and download the payment information or end your editing session, click **Save and Exit**. The **Update or View Payment Results** page appears (**Figure 6**) if processing is successful.

   Note: Once you make the edits and move to a new page, you *cannot* restore/reset the case payment information back to what it was previously (you are *not* able to undo your changes). All information must be manually updated on the page after the changes are saved. The case payment list can be edited until the payment is submitted or the current billing period ends.

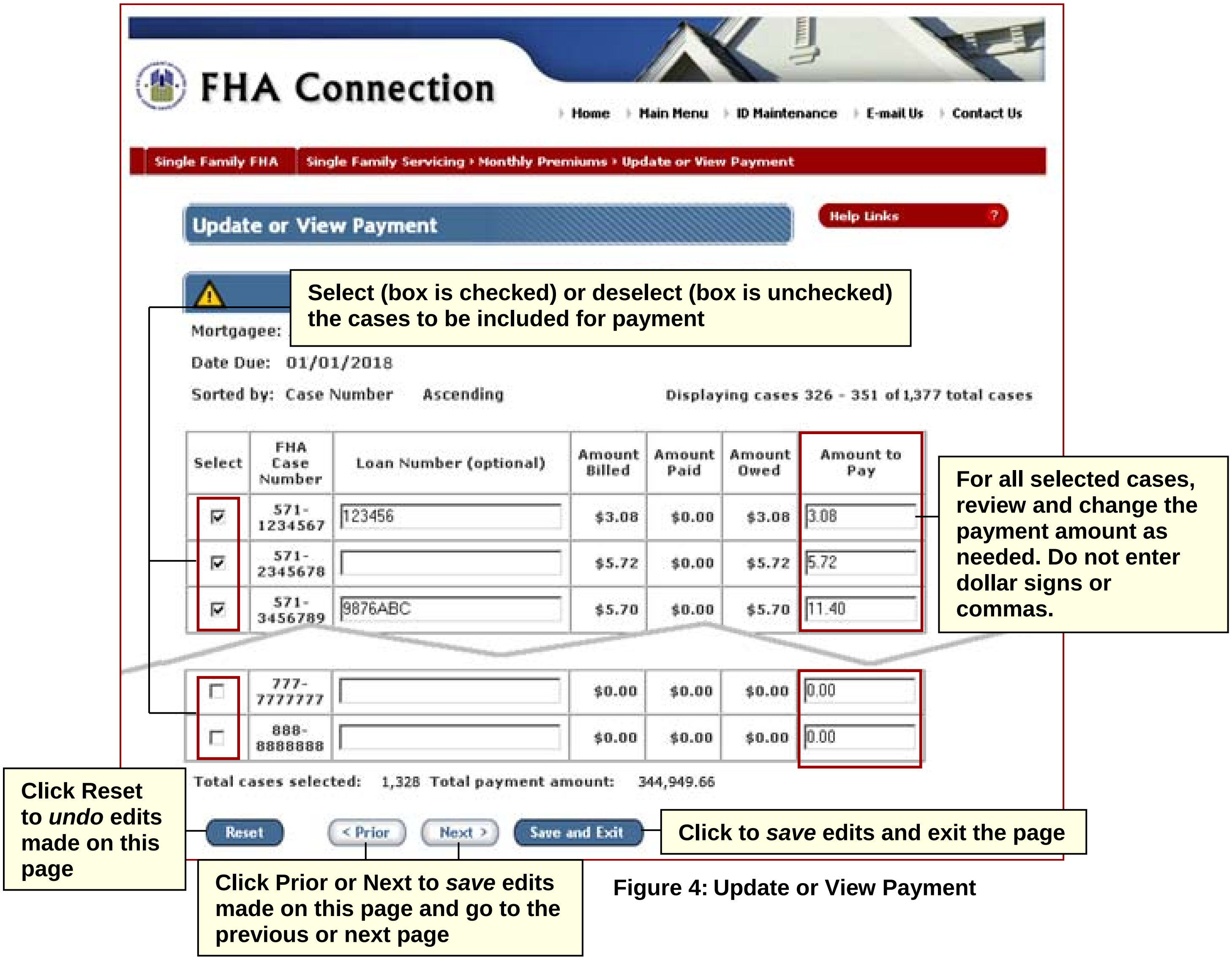

Figure 4: Update or View Payment

Note: The details for a payment with more than 10,000 cases *cannot* be downloaded and viewed. A warning message is displayed near the top of the **Update or View Payment** page when you are approaching or have exceeded the 10,000-case limit (**Figure 5**). If you anticipate exceeding 10,000 cases in a single payment, it is recommended that more than one payment be submitted to avoid exceeding the limit.

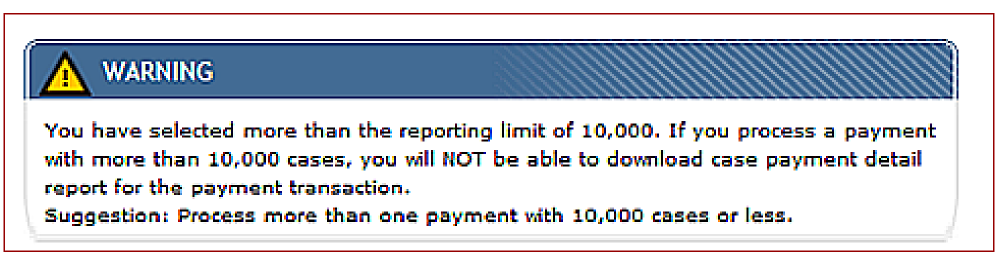

Figure 5: Warning message for a payment approaching or exceeding the 10,000-case limit for viewing/downloading

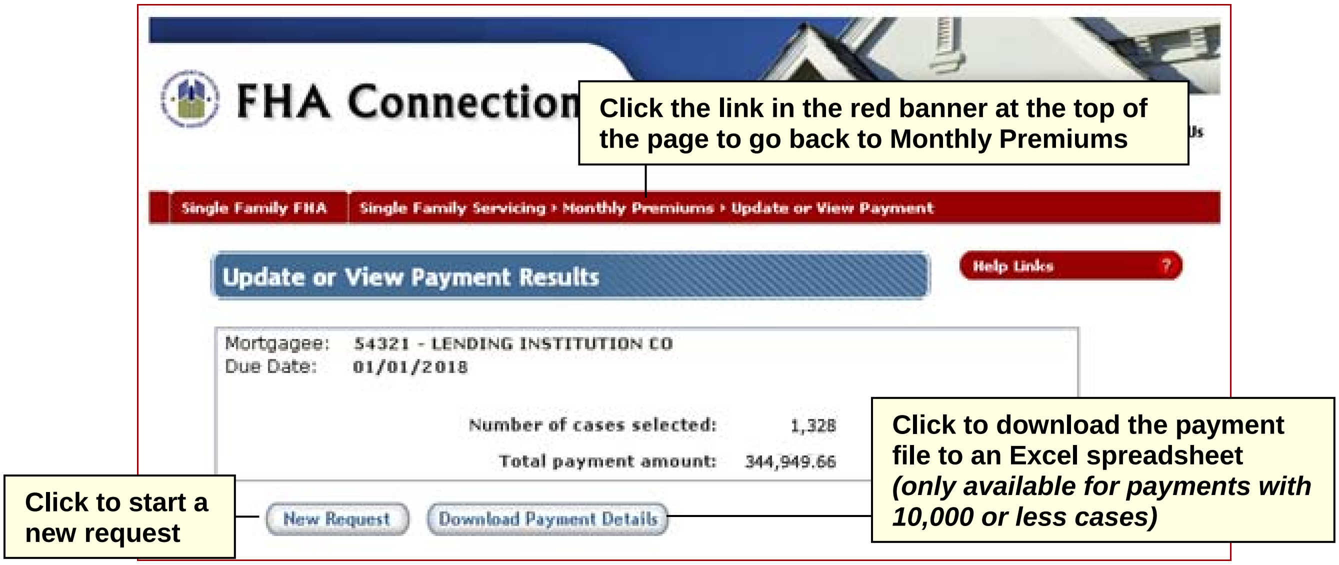

Figure 6: Update or View Payment Results page

10. On the **Update or View Payment Results** page (**Figure 6**), you can:
    - request to view another case payment list by clicking **New Request**,
    - download the current case payment list to a Microsoft® Excel® spreadsheet file by clicking **Download Payment Details** (only available for payments with 10,000 or fewer cases) (see ***Downloading Payment Information*** explained below), or
    - exit the page by selecting one of the links in the red banner ("breadcrumb trail") at the top of the page.

Adding Cases to a Payment

The **Add Cases to Payment** menu option is used by lenders and service bureaus to add payment amounts for cases that are missing from the list of billed cases provided by **Update or View Payment**. Examples of cases that may not be listed on the lender's bill include: a non-endorsed case for which amortization has begun or an endorsed case that was transferred to the lender's portfolio *after* the bill was generated.

Notes:

- A lender with 3,000 or less cases in its portfolio cannot *add* a case that already exists on the **Update or View Payment** list (i.e., a case in the current **Billing** report file); this generates a "duplicate payment error". Only cases new to their portfolio may be added using **Add Cases to Payment**. To pay on a billed case, the lender must use **Update or View Payment** and adjust the payment as needed.
- A high-volume lender with over 3,000 cases can use **Add Cases to Payment** to make online payments for billed and non-billed cases. A case that is added and, according to HUD's records, is not in the lender's portfolio, is transferred to the lender's portfolio when the payment is settled by the collection service. The **Update or View Cases** menu option can then be used to view or update a payment that was added through **Add Cases to Payment**.
- The details for a payment with more than 10,000 cases *cannot* be downloaded and/or viewed. A warning message is displayed near the top of page when the user is approaching or has exceeded the 10,000-case limit (**Figure 5**). If you anticipate exceeding 10,000 cases in a single payment, it is recommended that more than one payment be submitted so as not to exceed the download/view payment details limit.

Added cases are also included in the Microsoft® Excel® spreadsheet file for downloading, however the payment cannot exceed 10,000 cases (see ***Downloading Payment Information*** explained below).

Added cases that are not in the lender's portfolio, according to HUD's records, are transferred to the lender's portfolio once the payment is processed. If multiple lenders make a payment on the same case, the servicer on record for the case is changed to the lender (servicer) who submits the last payment on the case before the next bill is generated on the 15th day of the month.

To use **Add Cases to Payment**, do the following:

1. Access the **Monthly Premiums** menu as previously outlined.
2. On the **Monthly Premiums** page, click **Add Cases to Payment**. The **Add Cases to Payment** page appears (**Figure 7**).

   Note: For service bureaus authorized to pay monthly mortgage insurance premiums for multiple lenders, the **Add Cases to Payment Request** page appears (similar to **Figure 2**) and the lender must be specified before continuing to the **Add Cases to Payment** page (**Figure 7**).

3. Enter the FHA case number, loan number (optional), and payment amount for each case added. You may add up to 10 cases at a time. The payment amount can also be added/updated later using **Update or View Payment** prior to submitting the payment.

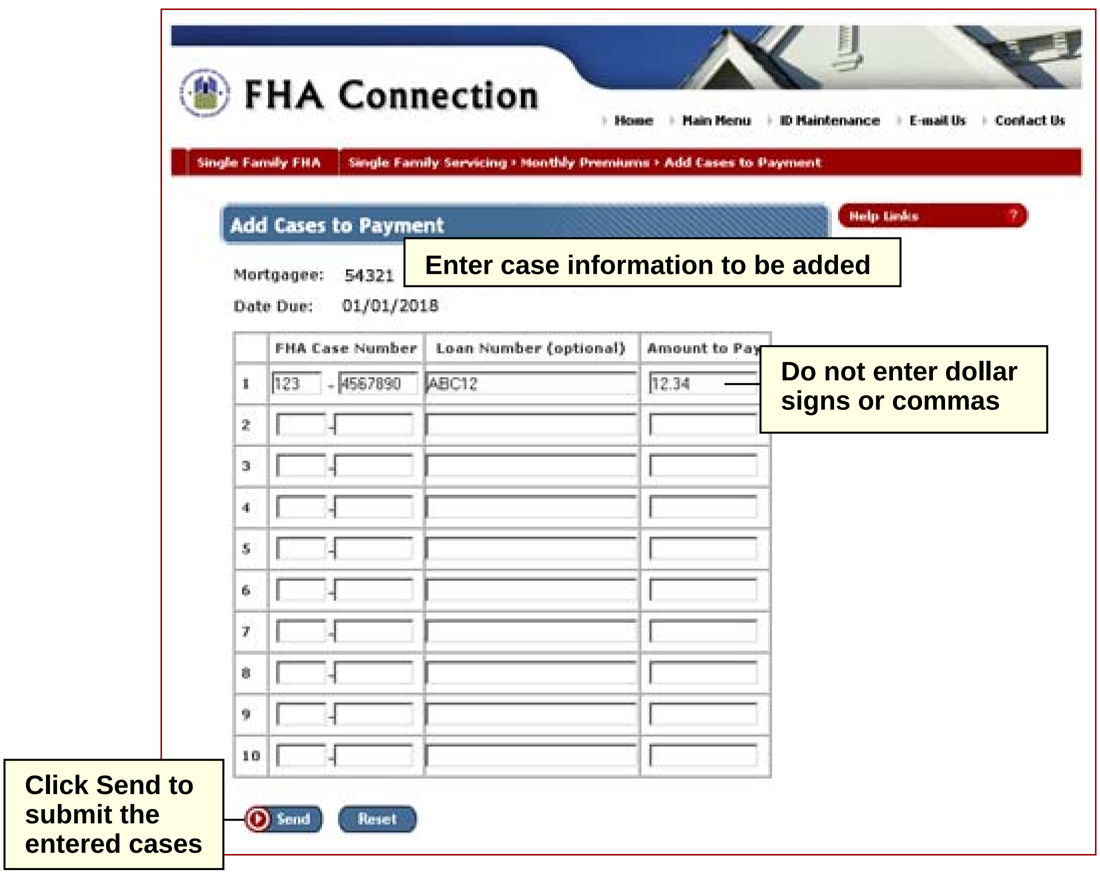

Figure 7: Add Cases to Payment page

4. Click Send. The **Add Cases to Payment Results** page appears if processing is successful. The cases are added to the **Update or View Payment** case list and are marked as selected for payment (**Figure 8**).

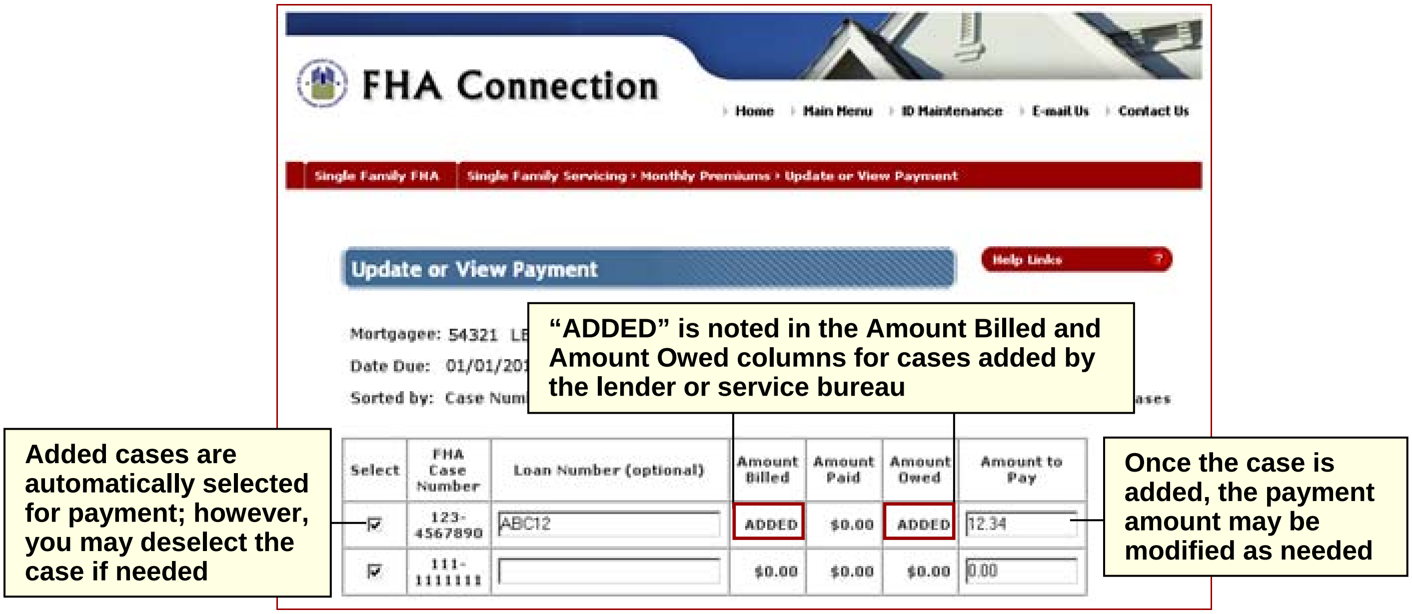

Figure 8: Update or View Payment page displaying user-added case

Submitting a Payment

Once any updates or additions are made using **Update or View Payment** and/or **Add Cases to Payment**, the **Submit Payment** menu option is used to send the detailed case payment information to HUD for processing. A HUD tracking ID and payment receipt are provided and can be printed for future reference. A Microsoft® Excel® spreadsheet file with payment details can be downloaded for payments submitted within the current billing period that do not exceed the 10,000-case limit.

Cases selected for payment can be paid at any time during the current billing period using **Submit Payment** as follows:

1. Access the **Monthly Premiums** menu as previously outlined.
2. On the **Monthly Premiums** menu, click **Submit Payment**. The **Submit Payment Summary** page appears (**Figure 9**).

   Note: For service bureaus authorized to pay monthly mortgage insurance premiums for multiple lenders, the **Submit Payment Request** page appears (similar to **Figure 2**) and the lender must be specified before continuing to the **Submit Payment Summary** page (**Figure 9**).

Figure 9: Submit Payment Summary page

3. Review the payment information on the **Submit Payment Summary** page and click Send. If there are no errors, the payment information is submitted for processing and the **Submit Payment Results** page is displayed with payment summary information (**Figure 10**). You may print this page for future reference.

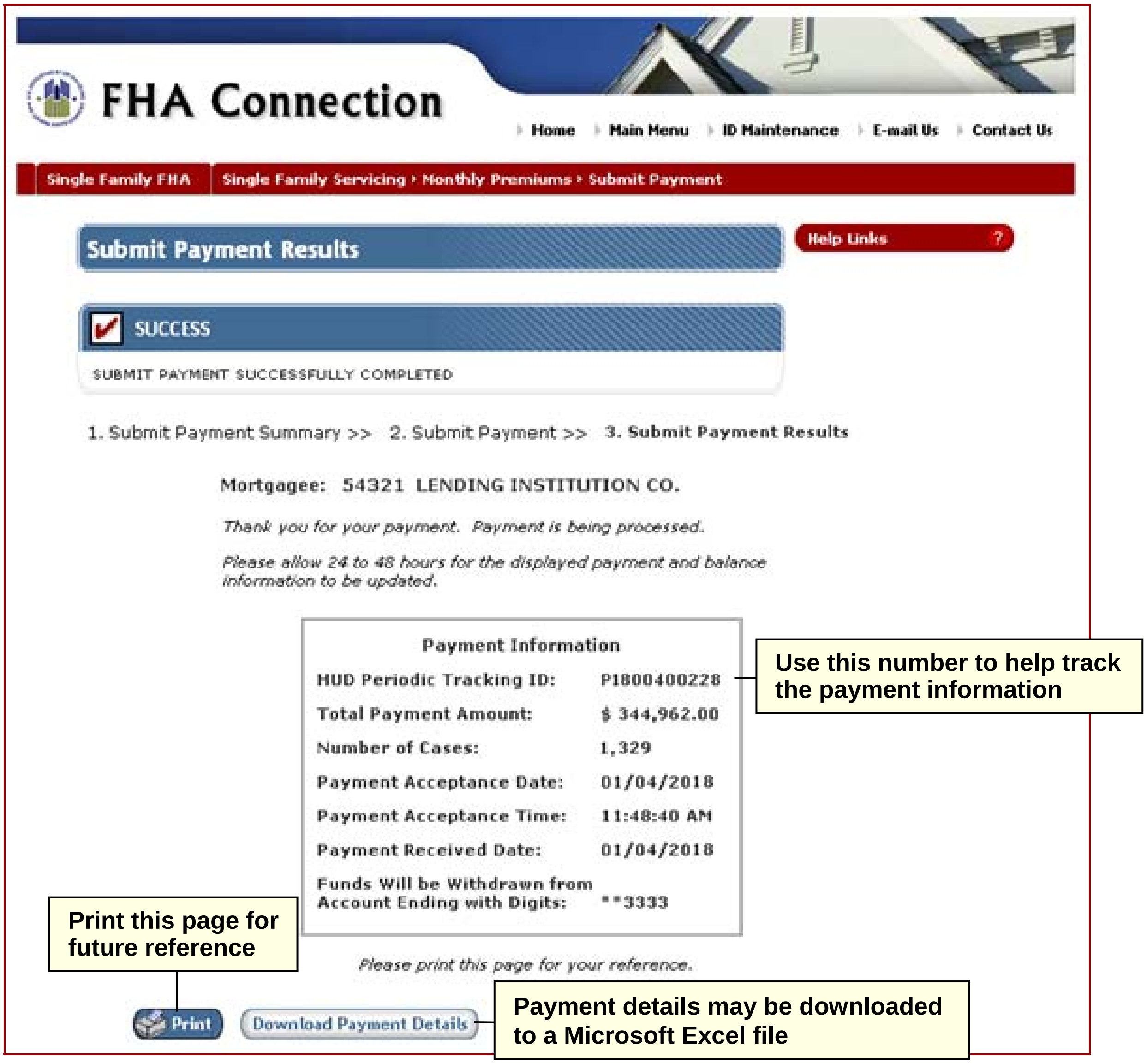

Figure 10: Submit Payment Results page

4. Click **Download Payment Details** to download a Microsoft® Excel® spreadsheet file with the payment information. This is only available for payments made during the current billing period that do not exceed the limit of 10,000 cases (see ***Downloading Payment Information*** explained below).

   Note: Once a **HUD Periodic Tracking ID** is issued for a payment, cases selected for payment through **Update or View Payment** are deselected and the **Amount to Pay** for the cases is set to $0.00; however, the **Amount to Pay** is retained for cases not selected for payment.

When a payment is processed or there is a subsequent payment failure, e-mail notifications are sent to the primary and alternate contacts designated in LEAP. If a problem occurs in the processing of a batch payment transmission, an e-mail notification is sent to the technical contact specified in the Periodic Pay.gov Batch Transmission Signup Sheet.

A payment is not re-presented for collection due to insufficient funds. If HUD fails to collect the payment the first time, the payment is given a status of Failed. A payment cannot be warehoused.

Tracking Payment Information

The **View Payment History** menu option is used to view a list of the lender's monthly mortgage insurance premium payments, including the status and tracking IDs of each payment. Payment information is available for both online and CPU to CPU batch file payments.

To track submitted payments, do the following:

1. Access the **Monthly Premiums** menu as previously outlined.
2. On the **Monthly Premiums** page, click **View Payment History**. The **Payment History Request** page appears (**Figure 11**).

   Note: For service bureaus, the **Mortgagee** field on the **Payment History Request** page provides a drop-down list from which to select the lender.

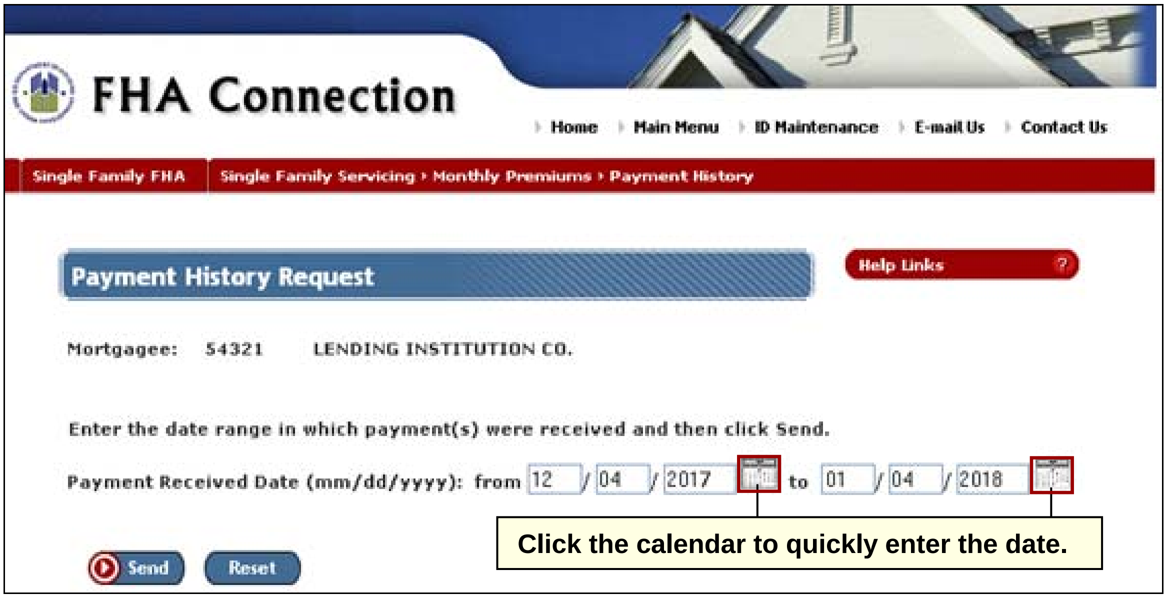

Figure 11: Payment History Request page

3. Enter the date range within which the payment information was received by HUD in **Payment Received Date**.
4. Click Send. If there are no errors, the payment information is retrieved (**Figure 12**).

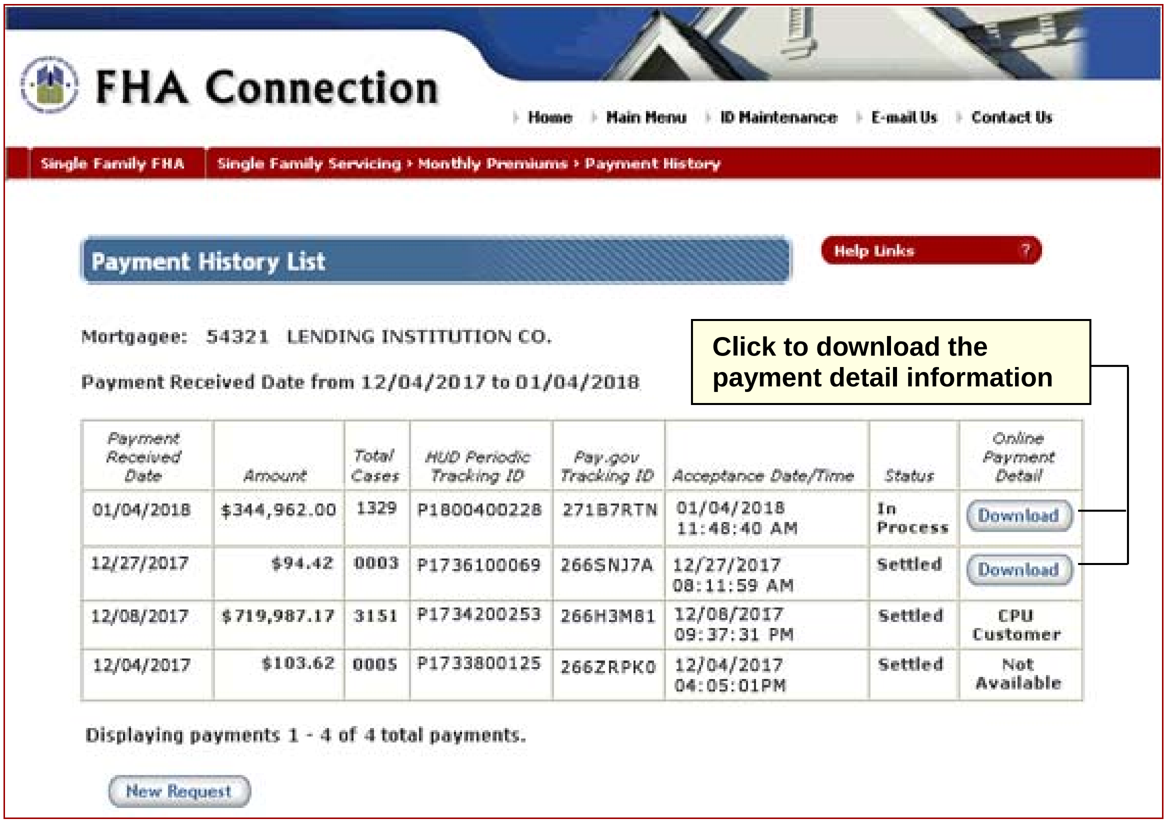

Figure 12: Payment History List page

5. To download information for one of the listed payments, click ***Download*** in the **Online Payment Detail** field. This is only available for payments made during the current billing period that do not exceed the limit of 10,000 cases (see ***Downloading Payment Information*** explained below).

Viewing the Status of a Batch File Transmission

The **View Batch File Transmissions** menu option is used to view the status of payments submitted via CPU to CPU batch file transmissions within the past 30 days. A list is provided with the status of each batch file (*Accepted*, *Partially Accepted*, *Rejected*, or *Warning*) including information on troubleshooting a batch file that is not accepted.

To view the status of a batch file payment, do the following:

1. Access the **Monthly Premiums** menu as previously outlined.
2. On the **Monthly Premiums** menu, click **View Batch File Transmissions**. The **Batch File Transmissions** page appears (**Figure 12**).

   Note: For service bureaus, the retrieved list includes batch payment files for all lenders for which payments were submitted within the past 30 days. If a batch file was received from a service bureau containing records of multiple lenders and not all of the records were accepted by HUD, the **File Status** is *Partially Accepted*.
3. If more than one page is available, use ***Next*** or ***Prior*** at the bottom of the page to display the desired page.

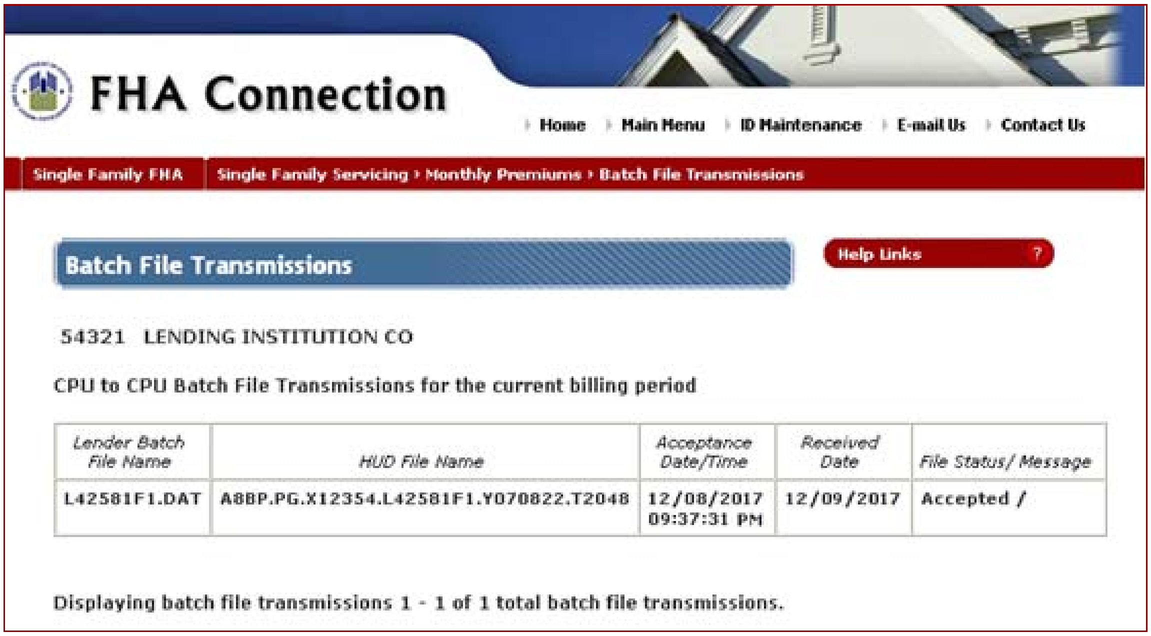

Figure 12: Batch File Transmissions page

Downloading Payment Information

Payment information can be downloaded to a Microsoft® Excel® spreadsheet file either before or after a payment is submitted. This feature is available on the following pages:

- **Update or View Payment Results** (before payment) (**Figure 6**)
- **Submit Payment Results** (immediately after payment) (**Figure 10**)
- **Payment History List** (after payment when viewing the history list) (**Figure 12**)

Note: The details for a payment with more than 10,000 cases *cannot* be downloaded.

A file downloaded from the **Submit Payment Results** page (which appears immediately following submission of the payment) is the same as the file available for downloading on the **Payment History List** page. **Only payments (files) generated within the *current billing period* can be downloaded.**

To download a payment file, do the following:

1. Click **Download Payment Details** (or **Download**) on any of the above pages. A message box appears and prompts you to open or save the file
2. Select **Open** or **Save**. If **Save** is selected, navigate to the folder in which the file was downloaded and open the file.

   Note: The downloaded file is in Microsoft® Excel® 2003 spreadsheet file format. Therefore, if you are using a later version of Microsoft® Excel®, a warning message is displayed indicating the file you are opening is in a different format and asks for verification that the file is not corrupted. Click **Yes** to continue.
3. Make any necessary adjustments to the column widths.