



## CMMIDEV / 3<sup>SM</sup>

## CMMISVC / 3<sup>SM</sup>

### FEBRUARY 2023

BUILDING STRONGER MORTGAGEE PARTNERSHIPS

VOLUME V - UPDATED

## About ISN

ISN Corporation ("ISN") is focused on helping federal agencies run programs to ensure the highest level of quality, timeliness, and integrity and to eliminate fraud, waste, and abuse. ISN's technology-based approach not only achieves results, but allows our clients and partners to meet their missions with full compliance.

ISN's past work has included field service management, audit and inspection services, property management, investigations, contractor oversight, software and application development, litigation support, real estate and loan servicing compliance, and quality control services. ISN also prides itself on ensuring proper eligibility determinations are made for program participation and access.

ISN has performed work for over 135 Public Sector clients and received numerous Quality Awards and Commendations for outstanding work. ISN has been recognized as one of the fastest growing businesses nationally and has been profiled in numerous industry publications. Most recently, ISN was named 43<sup>rd</sup> on the Washington Technology Fast 50. ISN has high customer satisfaction and CPARS ratings amongst its federal and commercial customers.

As a company appraised at CMMI Level III, ISN understands the full life cycle of successfully run programs, processes, and systems for Services and Software Development. Our technical and managerial solutions ensure that government programs meet not only their current objectives, but their long-term goals as well.

ISN is headquartered in Bethesda, MD and delivers a nationwide footprint of diverse professionals to provide services across the United States and around the world.

ISN has provided the very best technical solutions and talent to federal, state, and local governments for nearly 40 years. Past performance includes work on some of the most important mission-critical systems of the US government. Some clients past and present include:



### ISN CORPORATE HQ – BETHESDA, MD

ISN Corporate Headquarters is located at 10411 Motor City Drive in Bethesda, MD 20817, close to the heart of downtown Washington, D.C.



### ISN WESTERN OPERATIONS CENTER – OKC, OK

ISN's Western Operations Center is located at 2000 N. Classen Blvd, Suite 3200 in OKC, OK 73106, which currently houses the MCM operation and staff. It's located near the HUD National Servicing Center in downtown OKC.

For more information about ISN, please contact: [Info@ISNCorp.com](mailto:Info@ISNCorp.com)

# ISN as the MCM 3.0

ISN was awarded the Mortgagee Compliance Manager ("MCM") contract by the U.S. Department of Housing and Urban Development ("HUD") in August of 2020. Please check our website periodically for updates including contact information.

In its continuing role as the MCM, ISN puts a focus on technology and finding new mediums to provide additional information and training. One example currently in use with some mortgagees is the migration from phone conferences to completing conference calls over digital platforms that allow video conferencing. This creates an opportunity for all parties on the call to both share screens and see the same documents being discussed.



Currently ISN completes conference calls on Zoom, Teams, and GoToMeeting. ISN will also continue to participate in industry calls over the phone.

## ISN

We Value...

- ✓ Excellence in Quality and Timeliness
- ✓ Integrity
- ✓ Leadership and Ownership

Throughout the life of the MCM 3.0 contract, ISN will issue yearly newsletters and will attend and participate in multiple industry conferences. Additionally, ISN will also take advantage of new and additional resources and ways for information to be distributed whenever possible to make the overall experience of working with ISN as exceptional as possible.

ISN works closely with HUD and Yardi, the team that developed and maintains the REO System of Record (P260), with the ultimate goal of helping provide suggestions on enhancements that keep the various aspects of the system streamlined and create a better overall user experience.

ISN processes approximately 25,000 various types of transactions each month, all submitted from mortgagees related to the conveyance process.

Examples of the types of transactions ISN processes monthly:

- Overallowable Requests and Appeals
- Extension Requests and Appeals
- Surcharge Requests and Appeals
- Occupied Conveyance Requests and Appeals
- 27011 A,B,C,D,E Claim Package Reviews and Demands
- CWCOT Claim Reviews
- Title Packages
- FSM Requests for Monetary Demands and Appeals
- AM/FSM/NSC Requests for Reconveyance and Appeals
- Reacquisition Requests from Mortgagees
- Bypasses
- Document Execution
- QCD Processing
- HECM Overallowables

Further, ISN provides additional information that mortgagees are able to access at <https://www.isncorp.com/hud-mcm/>. ISN's website provides data on best practices, new developments, and recent changes to HUD regulations.

For More Information on HUD Regulations



**VISIT HUD.GOV**  
HUD Handbook 4000.1



#### Nationwide Scale

ISN is a leading provider of investigation and inspection services to the Federal Government. ISN's network of 1,800 highly trained and credentialed investigative professionals allows ISN to address geographically-diverse requirements skillfully. Our investigators are within 2 hours of any investigative assignment within the Continental 48 states.

Investigation Services



# General

## Foreclosure and Eviction Updates

With the expiration of the moratorium on foreclosures and evictions, it is critical that timely actions are taken to ensure that properties are adequately maintained and the foreclosure timeframes are met and a timely conveyance to HUD occurs. While the above is not an all-inclusive list, there have been multiple key updates to HUD's regulations that should be thoroughly reviewed for comprehension. After researching, should any questions arise, please reach out to [Answers@HUD.Gov](mailto:Answers@HUD.Gov) for additional clarification. Communication with this inbox ensures two things: a HUD response will be provided with the necessary information, and HUD will be aware of what areas are potentially causing confusion within the industry. This information could lead to future updates that provide necessary clarifications where needed.

## HUD Handbook 4000.1

HUD released an update to the handbook in April 2021 to include several scopes of P&P work that can be excluded from the property cap, establishing that overallowable requests should not be submitted after the date to convey, as well as other important updates to processes that should be fully researched and taken into account. The most recent iteration of the HUD Handbook was published January 18, 2023.

One of the updates from the HUD Handbook update that has also been implemented into P260 is the requirement to provide First Time Vacancy (FTV) documentation prior to submitting an overallowable request. The main function of this type of document is to accurately describe property conditions when property is determined to be vacant. This is the most useful and verifiable way to determine mortgagor versus mortgagee neglect. Along with the photos, the inspection report should be provided to complement the FTV photos and provide further details that are difficult to capture in photos.

## Mortgagee Letters

Recently, HUD released Mortgagee Letter 2022-06, which covers claims standards and

establishes a P&P Period for each property and a requirement to include P&P costs as part of the self-curtailment process. This update is effective for all properties with a first legal deadline on or after March 31st, 2022.

## Escalated Reviews

ISN has a high self-standard for customer service, and that includes providing escalation points when additional information is requested in response to a decision that was rendered by any of the ISN MCM staff. General questions should be directed to the appropriate inbox (Pre-conveyance, Appeals, Reconveyance, etc.), not to a specific staff member. The departmental inboxes are typically monitored and worked by departmental supervisors or managers, who have sufficient experience and expertise to handle the vast majority of questions that come up. Should additional clarification be needed beyond the information provided by

the inboxes, escalation to department managers would become appropriate.

Regardless of the scope of work in question, all decisions and responses must be requested and submitted through the systems of record, and contained within P260 or HERMIT. Escalations to inboxes or members of management should be limited to clarification on a response, not a request for a full review, and the request should only be escalated if information that was provided was overlooked on the initial/appeal decision. If, after review, it was determined that the request needs to have a review completed for potential approval, instructions will be provided on how to proceed, either by resubmitting a request, appealing the request, or requesting a rescission.

[Home / Program Offices / Chief Human Capital Officer / HUDCLIPS / HUD Letters / Mortgage Letters](#)

## MORTGAGEE LETTERS



[https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)

### HUDCLIPS Related Links

[Access HUDCLIPS](#)

## HUD HANDBOOKS, FORMS AND PUBLICATIONS



[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/hsgb](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb)



# Pre-conveyance

## Extensions and extended vacancy period due to moratorium

### Extensions

An extension of time request should be submitted to the MCM when a delay beyond the mortgagee's control prevented a property from completing a conveyance or a CWCOT claim, or if title evidence cannot be submitted timely. Any type of extension request should be submitted prior to the expiration of the HUD established timeframe and should include sufficient documentation to support both that the request is valid and that the delays are outside of mortgagee control. Prior to submission of an extension request, it would be considered a best practice to eliminate requests that have instances of mortgagee delays that cannot be explained or validated as unavoidable. Doing so will avoid unnecessary work and reduce instances of avoidable denials. Currently, all applicable HUD regulations regarding the extension process can be found in HUD Handbook 4000.1, however, any future updates either in the Handbook or Mortgagee Letters would be incorporated into the review process accordingly.

### *Extensions to Extend the Date to Convey*

If a property is not eligible for the CWCOT program, the *Box 3/Unable to convey within 30 days after acquiring title and possession* extension type should be used. If a property is a valid CWCOT property going through the CWCOT process and an extension of time is needed, the *Box 9/CWCOT Program – Unable to convey within 30 days after acquiring title and possession* extension type should be used.

### *Extensions to Submit Title Evidence*

One of the biggest changes in the extension process in recent years is the title extension process and the movement from the Extension Module in P260 to the Title Module. As of July 2022, Title Extensions and their potential appeals are now contained within the Title Module, combining the extension requests with the Title Packages. Release notes containing system functionality and processing guidelines that detail the process of submitting a title extension and appealing (if necessary) can be found within P260.

Title extensions are the same as the P&P extensions in that delays outside of mortgagee control should be the only reason an extension is submitted. One of the more common reasons a title extension is not approved is the deed that had to be resubmitted due to an initial rejection caused by an error on the deed. When internal errors cause delays, these cannot be considered for an extension of time approval.

### *Common Denial Reasons*

One of the most common reasons for an extension denial is a delay that is within the control of the mortgagee. Examples of common delays seen when reviewing extension appeals include, but are not limited to:

- Delays in the foreclosure/conveyance process
- Delays in securing a known vacant property
- Delays in submitting overallowable bids
- Delays in completing routine P&P work upon securing of a property
- Delays in filing an insurance claim upon discovery of insurable damage
- Delays caused by internal errors of the servicer/holder or previous servicer/holder
- Extensions submitted after the date to convey has already occurred.

Prior to submitting an extension request, an audit of the document should be performed looking for instances of delays and either explaining the delays and providing supporting documents, or refraining from submitting the extension request altogether.

### *Supporting Documentation*

Another common reason for a rejection of an extension request is sufficient supporting documentation has not been provided. Whether it is a request for an insurance claim or additional time needed to place the property into conveyance condition, the narrative provided with the extension request must have supporting validation attached. For example, if weather delays are being cited as a reason why property could not be accessed,

weather reports and date stamped photos confirming the conditions are the types of documentation that should be included. If delays are insurance claim related, the mortgagee must provide photos showing the damages, claim documents supporting that the claim was filed timely, and a recent update from the insurance company are necessary documents to include with the initial submission.

### **New and Emergent Conditions**

COVID had a very measurable effect on the housing industry and very few individuals or businesses have been able to avoid experiencing the consequences of the pandemic to some extent. One of the major issues that the mortgage servicing industry had to address was how to accurately keep track of property conditions and occupancy status during the moratoriums. Due to the hold on foreclosures and evictions, properties have been sitting vacant for much longer than normal, creating a larger window of opportunity for new and emergent property/preservation issues to arise. When ISN reviews a case for a property that has been vacant for an extended period of time, there is information and documentation that must be provided for review before approval can be considered.

### **Current Condition Photos**



Current condition photos are essential to any bid as it is the only way for ISN to verify that the work is needed and should be approved. Current condition photos are one of the best opportunities to show a property condition as it currently is, and provide evidence that conditions previously seen have not worsened or deteriorated since they were initially documented.

# Pre-conveyance

## Extended vacancy period due to moratorium (continued)

### Itemized bid for repairs or damages



While the other documents listed above are used to validate the necessity of the bid, the itemized bid is the document used to validate the cost being submitted and the need to approve the amount requested. A good itemized bid will detail the exact scope and provide a valid cost. Overallallowable submitters should ensure that unnecessary fees are eliminated from the line item and if using cost estimate software, ensure that accurate amounts are represented.

### Inspection/preservation history



The full occupancy inspection history from loan default through the current reporting month with photos needs to be provided. This documentation is critical in verifying the initial vacancy as well as supporting the occupancy indicators used to confirm occupancy status of the property. If the inspection history is incomplete or has gaps due to a local code or Authority Having Jurisdiction ("AHJ") requirement, the supporting AHJ documentation must be provided. If no documentation is available supporting the dates of missed inspections, the MCM will require that all inspections be provided without gaps from default through current.

Another aspect of both the inspection and preservation history documents is allowing the documentation to confirm that timely actions have been taken to address new

conditions. If new damages are present, the mortgagee will be responsible for providing recent photos of the area before damages occurred and photos from when the damages were first discovered. One common issue ISN sees when reviewing a pre-conveyance request is to cite damages as new but the documentation provided only shows initial vacancy photos and then current photos which can be up to a year later. This does not confirm that damages are new and that timely action is being taken to address the issues, it only shows that damages have emerged after the property was vacated and secured.

### FTV/Initial secure photos



Documenting all property conditions is a critical aspect of determining mortgagor versus mortgagee neglect. Used in conjunction with the inspection/preservation history, the FTV documents can be used to confirm that not only are conditions not a result of mortgagee neglect but that the conditions are not worsening or deteriorating over time.

### Aged Condition



The value of submitting timely bids and an initial overallallowable request was extensively

covered in the prior MCM Newsletter, detailing the potential problems caused by delaying a submission. These issues are potentially amplified when a property has sat vacant for an extended period of time. With the new HUD regulations requiring submission overallallowable requests prior to the date to convey as well as the establishment of the P&P Period, failing to take timely action can affect the ability to claim work completed regardless of whether an overallallowable approval was granted by ISN.

### Driveways

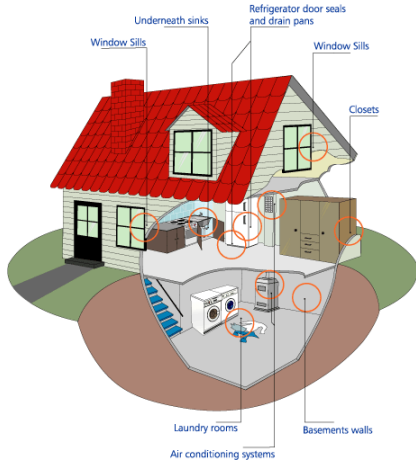


Driveways and their conditions, if they are not acceptable and are not addressed properly prior to conveyance, can result in a demand or reconveyance. Driveways must be passable by emergency vehicles as well as normal vehicles. Deep ruts, washed out access roads and driveways become problematic and often can be cited on reconveances if HUDs Field Service Manager ("FSM") is unable to easily access the property. If the driveway is found to have issues where accessibility is hampered and work is needed, any overallallowable request will need to include, at a minimum, a copy of the origination appraisal supporting that the property originated with legal access to the property and that the existing driveway was compliant with HUD regulations. Typically, a sand driveway will not be sufficient to meet the requirement of an all-weather road surface and will need to be installed with a more durable substrate. Prior to submitting any type of request to the MCM, either an overallallowable or a surcharge, the origination appraisal should be reviewed. If the property originated with a non-compliant driveway, the repairs needed will need to be completed at no cost to HUD.

# Pre-conveyance

## Extended vacancy period due to moratorium and when to appeal vs resubmit

### Mold bids



Mold is an issue that can worsen dramatically in a short period of time if the source is not discovered and addressed timely. As a result, it is very important for the mortgagee to adequately capture and document all property conditions as soon as possible. Due to timing issues and a need for quick actions, providing the inspection and preservation history, confirmation of when damages were discovered, and any actions taken to mitigate the source are valuable documents that can be very helpful when approval is being considered. If mold is a new issue, it will be important to provide date stamped photos of the damaged area before mold occurred and fresh photos proving current conditions.

### Roof Bids



An undiscovered and unaddressed roof leak will prove to be problematic to a property due

to the extent of damages that can occur beyond just the cost of repairing or replacing the roof itself. When a property sits vacant for long periods of time an unaddressed roof leak can cause major damages to the interior of a property such as mold, water damage, floor damage, etc. It is very important that the mortgagee documents all interior property conditions to show the roof as well as interior ceilings and, if and whenever applicable, attic/rafters/underside of sheathing. This is valuable information to either support that a leak was present at FTV and was mortgagee neglect OR to be able to prove that there was not a leak at FTV and that the resulting damages being bid are new emergent issues. Additionally, a full inspection history from loan default through current is required to support timely inspections, FTV and initial secure within timeframes.

### When to Resubmit versus When to Appeal



The goal of any pre-conveyance review, is to provide a full and correct response on the initial submission. There can be, however, circumstances when a mortgagee or servicer receives a denial and must decide between resubmitting a new request or simply appealing the initial decision. The determining factor between the two options is if the initial request received an actual review or if the request was not able to be given a full review. If the request did not receive a review, it is best to submit a new request to allow a review to take place. By doing so, an option to appeal is still available if the response is not as favorable as desired.

To help reduce unnecessary incoming volume and unnecessary delays due to improper submissions please refer to the information below to help clarify when it would be best to submit a new overallowable request and/or Surchargeable request versus submitting an appeal. The two most common scenarios for resubmission versus appeal are: 1) a single line item or entire overallowable has been denied due to missing documentation and reviewer has requested the missing documentation to be provided OR 2) a single line item or entire overallowable request has been denied or included cost reductions that the mortgagee does not agree with even though all documents were provided.

If the initial overallowable request was denied due to missing documentation that prevented a review from being completed, a new overallowable request with the requested additional documentation is required so an initial decision can be made. One of the most common examples of deciding between a new submission instead of an appeal is a request being denied due to a possible conveyance delay. In this scenario, the reviewer would not be reviewing the request based on merit, and the documentation provided cannot be considered until the conveyance timeframe has been validated. If all documentation was provided but the mortgagee disagrees with the OA decision due to approved cost or denial reasoning then an appeal would be warranted.

A common scenario would be an overallowable request that determines a condition is mortgagee neglect due to delays, however additional documentation can be provided to confirm that no delay occurred. When submitting an appeal, the mortgagee must provide an explanation for what is being appealed, why the initial decision is believed to be incorrect, and additional information, including new documentation, if available, to support why the full amount of the request should be re-considered for approval.

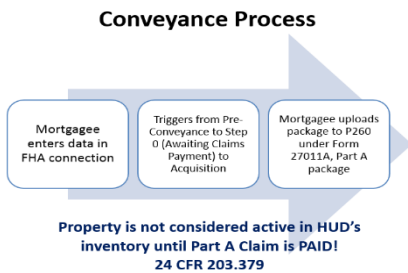


# Post-conveyance Claims

## Property Cap Exclusions and applying them to the 27011 Claim Form.

While the HUD Handbook update has criteria that initially affects pre-conveyance submissions, these same regulations and requirements will define how 27011 Claims should be submitted to the MCM for review. As a reminder, there is still a requirement for all claimed items to be adequately supported by date stamped before/after photos and any other necessary documentation to support a line item.

## Claim Block Removal Requests



When a claim block is placed by HUD or by ISN, a claim will not pay out until the claim block is removed. Depending on circumstance, if a mortgagee determines that there is a claim block on a property, one of two paths should be followed.

If the claim block was placed by the MCM, it is most likely a result of a reconveyance. For every property that has a reconveyance, a claim block is put into place to avoid additional claim funds from inadvertently being paid during the reconveyance process that would result in a need to update the billing letter creating unnecessary confusion and work to track funds and remittances. These claim blocks are automatically removed as part of the reacquisition process and with the exception of accidental one-off scenarios, claim blocks placement and removals are a seamless process that does not require mortgagee action.

If a circumstance where a reacquisition was completed and the claim block is still in place, the mortgagee should reach out to ISN at

## (5) Property Preservation Allowances

### (a) Definition

The Maximum Property Preservation Allowance is a pre-approved reimbursement for the aggregate of all property preservation expenses that do not exceed the line item allowances listed in HUD's [Property Preservation Allowances and Schedules](#).

### (b) Standard

The Maximum Property Preservation Allowance is \$5,000 per Property.

The following expenses are not included in the \$5,000 maximum cost limit per Property:

- debris removal;
- grass cutting;
- boarding;
- inspections;
- securing swimming pools;
- sump pumps;
- demolition;
- vacant property registration fees; and
- utilities.

*HUD's nine exclusions to the \$5,000 property cap. Taken from HUD Handbook 4000.1*

MCM-Reacquisition@ISNCorp.com and request details on the claim block and if any additional documentation is needed. Should there be a need for additional information and or documentation, ISN's reacquisition team will provide a list at that time.

For claim blocks that result in a Hard Edit and prevent an initial conveyance to HUD, these claim blocks are not likely to have been placed by ISN. The Hard Edit process is to notify the mortgagee that a property is in a Step 0 and that notification will provide limited detail on what caused the Hard Edit to occur. If there is a question on if a claim block is in place, mortgagees may reach out to the HUD Claims inbox at FHAsfclaims@HUD.Gov to determine the reasoning behind the claim block. At that time, they might also request property specific information to determine if

the claim block is still relevant or provide an additional contact to reach out to. Often times, the necessary information will be recent property condition photos to confirm that the property is in conveyance condition and issues that caused the claim block has been addressed. The most common scenario is if HUD discovers an excessive amount of surchargeable damage (insurable events such as hurricane, fire, etc.) was present at some point prior to conveyance and the intent is to ensure a review is completed prior to conveying to HUD. This is to the mortgagees benefit as it often prevents reconveyances and administrative offsets. As with anything else, ISN is always an available resource for additional information and should there be any additional questions on the Claim Block process, please reach out to the ISN Claims inbox at MCM-Claims@ISNCorp.com.

# Post-conveyance Claims – Best Practices

## CWCOT

ISN's CWCOT claim audit process is one of the more complicated claim reviews completed due to the magnitude and complexity of information and documentation required. With that in mind, an unorganized set of CWCOT documents can lead to rejections if the appropriate information cannot be located.

The easiest and yet one of the most often overlooked aspects is ensuring that documentation is uploaded to the CWCOT module. Often the MCM Claims review team will reject a claim due to missing documentation only to discover that a mortgagee uploaded the supporting information in an incorrect module. It is also imperative to ensure the correct subcategory is selected. As an example, do not upload the auction invoice under sales documentation. A misclassification of documentation can lead to unnecessary rejections and a need to resubmit the entire claim for review. Re-reviewing a claim with incorrectly categorized documents also can cause confusion for both mortgagee and MCM, as it is difficult to clearly identify which document is being rejected and why. These issues can also cause items to be overlooked or cause the incorrect document to be removed from the system.

## Exportable 27011 A-E claim



While not a HUD requirement, when the 27011 Claim form cannot be exported due to being scanned and a demand is issued, the result is that ISN is unable to properly use the P260 module to detail out the demanded items and a Word document has to be uploaded. This causes unnecessary work for ISN, but also for the team of reviewers who have to review the demand and potentially submit an appeal back to ISN with appropriate documentation. This can also lead to potential demands if the information cannot be reconciled against the property cap or completion dates.

## Accurate and Detailed Claim Form



Per HUD Handbook 4000.1, "The Mortgagee must list disbursements for P&P expenses in chronological order in the Date Work Completed column and include an accurate description of the work performed on the Property in the Description of Service Performed column." With the new P&P property cap exclusions becoming a major part of determining the spent to date and when the \$5,000 property cap has been met, this will create additional difficulties in reconciling a claim form that will likely result in a demand for reimbursement.

## Easy to Find Information

One of the easiest and best ways to ensure that the documentation review successfully reconciles the claimed item is to ensure accurate and detailed information is provided with the before/after photos. The most successful claim submissions have labels that include not only the scope of work the photos show being performed, but also the dates that the work was performed that match up with the claim form in a searchable format.

Outside of the documentation being missing, being unable to find the appropriate before/after photos is one of the leading causes for a demand from the 27011B, C, D, E claim reviews. While making the documents searchable is a big factor, another action that can be taken to avoid unnecessary demands is to ensure the documentation is sufficient to support the claim item. It is still important, though, to ensure that there is not a "photo dump" that is unnecessarily broken up into several .pdfs with hundreds of photos contained within each document.

## Accurate Claimed Item Description



When line-item descriptions are limited, descriptions such as "Miscellaneous HUD Approved" instead of a proper description of work completed, it prevents the reviewer from being able to determine and confirm what scope of work is being claimed and then reconciling it against the before/after photos. If a claim reviewer is not able to easily identify what scope is claimed, it could result in a demand for reimbursement. Additionally, claimed line items should be itemized and not combined.

## Matching Descriptions



Another growing trend is that the line-item descriptors are not accurately matching the work approved on the overallowable request. A common example is the overallowable approval is for mold remediation, but the claim form will list a generic label like "hazard removal/environmental cleanup". Another example is when approval was granted for handrail repair and the claim will list "Repair" or "Safety Hazard". Similar to above, if the scope cannot be reconciled, it will likely result in a demand for reimbursement.



# Post-conveyance Title

## Title Best Practices & HUD polices



### Conveyance Deeds to HUD

When completing a final inspection of a property and confirming the title is acceptable, ensure the conveyance deed is in compliance with 24 CFR 203.367(a)(1) as HUD has determined that properties should not be conveyed to HUD via a Quit Claim Deed. If, after review, ISN finds a property to be non-compliant with this CFR, the title package runs the risk of being rejected and potentially recommended for reconveyance.

### Vesting his/her vs their

In the last year, HUD updated their handbook (revised 4/19/21 Effective 8/17/21) to refine the verbiage on vesting language.

Conveyance Deeds should now use the vesting language, "Secretary of Housing and Urban Development, their successors and assigns". This information can be verified by searching for "Notice of Property Transfer".

### NO Title Package Approval Letter ("TAL")



If the title package is showing as approved in P260, but the TAL is not registering in FHA Connection, the MCM can no longer re-decision title package approvals previously granted through the updated Title Module. If the TAL is not viewable in FHA Connection or error messages are being received, please reach out to HUD at answers@hud.gov for additional clarification and direction on how to proceed. The email notification to HUD should state that the title package has been approved in P260 but that the title package approval is not generating a TAL in FHA Connection. At this point and depending on

property specific circumstances, HUD will direct the inquiry to the appropriate party for review.

### Title Package Submittals.



With the implementation of the Title Module in 2020, title packages must be uploaded, saved, and submitted through the Title Module in P260 in order for the submittal to populate ISN's reporting. If the title package is not properly submitted and the responsibility is not shifted to MCM, ISN will be unaware of the title package and will not know to review the request. If the responsibility remains with the Mortgagee, the documentation has not been properly saved and submitted through P260. If the documents are not submitted timely or not submitted properly, a case will populate the Title Package Overdue widget.



# Post-conveyance Administrative Remedies

## Administrative Remedies Module



In May 2021, Yardi updated the Administrative Remedies module to incorporate new workflows that include submitting appeals through the system of record as opposed to sending an email and uploading appeal documents. This has drastically reduced missed timelines and streamlined processes, which has overall been a beneficial improvement for the industry. Since its release, most if not all have adapted to the new steps and processes, however there is some additional information that can be provided to help further streamline and ensure a timely review and response is received.

Due to the fact that all appeals must be reviewed through the system, appeal timeframes must be adhered to without exception. When a demand for reimbursement is issued, there is a strict window of time to submit an appeal to ISN with all necessary information and documentation. Once this window expires, the ability to appeal to the MCM is removed from the system and ISN is unable to complete additional reviews. Ideally, there is no need for a demand at all if the property conveys to HUD correctly and all necessary information or documentation is provided with the claim form. Generally speaking, the majority of claims are reviewed without issues or demands being issued.

If, though, something has slipped through the cracks or is inadvertently omitted from the claim documentation and a demand is issued, it is critical that not only is the appeal filed timely but that time is taken to ensure that all necessary information is provided with that appeal.

Escalated emails to the Appeals Inbox (MCM-Appeals@ISNCorp.com) or to departmental management should only be used to seek clarification of a reason for a demand or an appeal response, not to dispute a decision. There is an opportunity to appeal to HUD if the initial appeal is denied through P260, however that course should only be pursued if the initial appeal decision is disputed and not as an opportunity to provide additional documentation that was not initially provided at the time of conveyance or with the initial appeal. When the new module was implemented, Yardi's team also created new widgets for the applicable stages of the demand process. These widgets can be used to track a demand and when used appropriately, they will help to avoid missing appeal windows and ensure that fund remittance occurs before an offset becomes necessary.

Another aspect of the new Administrative Remedies Module is the ability to notify the MCM of fund remittance. While ISN routinely researches each case for fund remittances prior to initiation of offset, this feature is another way for the mortgagee to take action to ensure that an unwanted offset does not inadvertently occur.



## Administrative Remedies Best Practices



Similar to the documentation submitted with the 2701B, C, D, E and CWCOT Claims, it's beneficial for the mortgagee to ensure that appeal documentation is clearly labeled with legible date stamps and the "photo dump" is avoided. Appeal documents should be limited to only the information necessary to support appeal rescission, limiting the opportunity for missed or overlooked information.

Taking the time to double check documentation that has been uploaded to ensure that the appeal documentation matches the intent of the appeal and that all areas being appealed are accounted for will prevent having to remit funds in scenarios where work was completed but not supported with the claim.

Emails sent to the appeals inbox and uploading documentation to the system alone is not a sufficient method to appeal a demand for reimbursement. ISN is not notified when documentation is uploaded to a case and the update to the Administrative Remedies module now requires that the appeal process be followed in order for ISN to be aware of an appeal that requires review. To ensure that the appeal is fully submitted, review the module to ensure that the responsibility shifts from Mortgagee to MCM.



# Secretary Held Loan Servicing (SHLS)

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| Department   | Purpose address                                  | Phone          |
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| <b>Servicing Inquiries</b><br>PCServicing@hud.gov                      | <b>General Inquiries</b>                         | (833) 732-4353 |
| <b>Payoff Requests</b><br>PCPayoffs@hud.gov                            | <b>Payoff Requests and Inquiries</b>             | (833) 732-4353 |
| <b>Partial Claims</b><br>PCPartialClaims@hud.gov                       | <b>Partial Claims and Inquiries</b>              | (833) 732-4353 |
| <b>Subordination Requests</b><br>PCSubordinations@hud.gov              | <b>Subordination Requests and Inquiries</b>      | (833) 732-4353 |
| <b>Release Requests</b><br>PCReleases@hud.gov                          | <b>Lien Release and Inquiries</b>                | (833) 732-4353 |
| <b>Mortgagee Partial Claim Document Submittal</b><br>PCDocs@hud.gov    | <b>Partial Claim Documentation and Inquiries</b> | (833) 732-4353 |
| <b>Bankruptcy, Legal Notices, and Congressional</b><br>PCLegal@hud.gov | <b>Legal Notices and Inquiries</b>               | (833) 732-4353 |





# Mortgagee Compliance Manager (MCM)

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| Voluntary Reconveyances      | mcm-volreconvey@isncorp.com   | (405) 602-1520 |
| Reconveyance Inbox           | mcm-reconveyance@isncorp.com  | (405) 602-1520 |
| Reacquisition Inbox          | mcm-reacquisition@isncorp.com | (405) 602-1520 |
| Notification of Violations   | mcm-violations@isncorp.com    | (405) 604-0513 |
| Claims Inbox                 | mcm-claims@isncorp.com        | (405) 602-1520 |
| Title Inquiries & Requests   | mcm-title@isncorp.com         | (405) 602-1520 |
| Quit Claim Deeds             | mcm-qcd@isncorp.com           | (405) 602-1520 |
| Occupied Conveyance Requests | mcm-ocr@isncorp.com           | (405) 602-0513 |

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