UBP Policies & Procedures

Kentucky Housing Corporation

April 2, 2020

Table of Contents

Overview of Unemployment Bridge Program

As part of the Kentucky Homeownership Protection Center (Protection Center), Kentucky Housing Corporation (KHC) will administer the Unemployment Bridge Program (UBP) to subsidize 100 percent of an eligible homeowner's current mortgage payments and all other mortgage-related expenses (including subordinate liens, if applicable) during their time of unemployment or underemployment. Payments will be made directly to the servicer(s) by KHC on a monthly basis.

Beginning with new reservations on or after April 2, 2020, the following program changes will begin:

The maximum assistance will be 6 months of mortgage payments or $10,000, whichever comes first. The reinstatement may be up to the full $10,000, if needed.

Outside Partnerships

Counseling Agencies:

To be eligible to participate in the Unemployment Bridge Program, counseling agencies should be HUD approved for pre-purchase counseling at least, preferably in Foreclosure Prevention Counseling as well, in order to provide the best service to applicants. Participating Counseling Agencies must complete a Participation Agreement and Agency Info Sheet to sign up. Their workflow would consist of accepting referrals from the Homeownership Protection Center (HPC) system, gathering borrower documentation, reserving UBP loans and submitting a fully processed loan package to KHC for Underwriting as well as pipeline maintenance. KHC will pay participating agencies $350 for each "Approved" UBP loan. Agencies are paid monthly for the previous month's production.

Participating Servicers:

Participating servicers must complete a Servicer Enrollment Form and when requested by a servicer, the servicer participation agreement. Participating servicers agree to allow borrowers to participate in the Unemployment Bridge Program unless they have a valid reason to object. They communicate mortgage updates to the KHC Servicer Liaison, notify liaison of payment changes, accept payments through an Automated Clearing House (ACH) payment, and post those payments via a payment report from KHC.

Legal Aid:

The Legal Aid Societies of Kentucky provide services to those UBP applicants who have been served with the borrower's lender Foreclosure Petition. The referral is made by the receiving Counseling Agency to the Legal Aid Service provider in the borrower's area as soon as the counseling agency determines that the applicant borrower needs legal advice in order to answer the pending legal action. Both agencies then work simultaneously with the borrower managing their respective role and responsibility to the borrower client.

Closing Attorneys:

The Closing Attorney works with the KHC Closer to obtain legal descriptions of subject properties and coordinate UBP closings. The closing package is delivered to the Closing

Attorney via secure email and is reviewed by them for accuracy. The Closing Attorney then meets with the Borrowers, fulfills all closing conditions and has the documents executed. The original mortgage is sent to the respective County Clerk for recording and the remainder of the package, including a copy of the signed mortgage, is returned to KHC within five (5) days of closing. The original recorded mortgage is mailed to KHC from the County Clerk.

(updated 07/2012)

Closing Agent	County
McBrayer, McGinnis, Leslie, Kirkland, PLLC Louisville, KY	Western half
Kinkead & Stilz, PLLC Lexington, Kentucky	Eastern half

Became solely McBrayer, McGinnis, Leslie, and Kirkland, PLLC, statewide, beginning February 2015.

KHC Internal Policies

All employees of Kentucky Housing Corporation will follow personnel policies, procedures, and guidelines in effect at KHC. Full descriptions of Fraud, Privacy, Records Management, Internal Audit, and Computer Security policies are available in the KHC Employee Handbook and/or located in departmental policies and procedures found on KHC's Intranet site.

(added 01/11/2011)
KHC's Fraud Policy from the Employee Handbook is provided as Appendix 1 to this manual. As it pertains to the Unemployment Bridge Program, any instances of fraud will be additionally reported to the U.S. Department of Treasury.

Employees or Family Members of Kentucky Housing Corporation

No KHC employee who exercises decision-making authority over the UBP and is substantially and materially involved in the development or application of the UBP may receive benefits from it. Examples of such positions are the Chief Executive Officer, chief officers and senior directors. Additionally, no KHC employee shall qualify for the UBP based solely on the reduction of income factor if that reduction in income occurred when the employee accepted full time employment at KHC or accepted another position at KHC where the salary was lower. Employees of KHC are required to notify the Counseling Manager if they or any family member has applied for HHF assistance and shall do so immediately upon application. The Counseling Manager will refer them to an outside agency for an acceptance determination. If the employee who has applied or whose family member has applied is a direct report to the Counseling Manager, the Asst. Director of Homeownership will review file and make the necessary referral to an outside agency.

Review of the File in these Situations

If the applicant is an employee of KHC, the application will be handled by KHC managerial staff only. The outside counseling agency will submit the file to the Underwriting Manager who will personally review it for approval. The Underwriting Manager will underwrite the file following all underwriting guidelines as outlined in Underwriting Manual.

In any instance where the applicant is a family member of an underwriter or is personally known to the underwriter, the Underwriting Manager will reassign the application to other staff. If the

applicant is related to or known by the Underwriting Manager, the Counseling Manager will review the file documentation and provide approval prior to sending the file to the Closing and Servicing Liaison Managers.

The Managing Director will provide a quarterly update of new KHC employee UBP loans.

HPC System Security

Homeownership's Assistant Director maintains the content and security of the HPC system. KHC staff with designated administrative rights issue passwords to the individual housing counselors. Passwords are changed by the users upon first login. Lost passwords are reset by KHC staff with administrative rights only.

KHC Fraud Policy:

The excerpt below is from KHC's Employee Manual

02-06.090 FRAUD POLICY

Kentucky Housing Corporation recognizes the importance of protecting the organization, its operations, its employees, and its assets against financial risks, operational breaches, and unethical activities. Therefore, it is incumbent upon KHC's Board of Directors and management to institute and clearly communicate the fraud prevention policy to both internal and external customers, vendors, consultants, contractors, and partners.

KHC recognizes a zero-tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated.

This policy covers all KHC employees and officers. Additionally, this policy covers all KHC vendors, customers, and partners to the extent that any KHC resources are involved or impacted.

Fraud is defined as an intentional deception, misappropriation of resources, the manipulation of data, or the concealment of a material fact to the advantage or disadvantage of a person or entity. Some examples of fraud include, but are not limited to:
- Falsification of expenses and invoices.
- Theft of cash or fixed assets.
- Alteration or falsification of records.
- Failure to account for monies collected.
- Knowingly providing false information on job applications and requests for funding.

Corruption is defined as the offering, giving, soliciting, or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include, but are not limited to:
- Bribery.
- Conspiracy.
- Extortion.

02-06.091 REPORTING OF FRAUD OR CORRUPTION

Allegations and concerns about fraudulent or corrupt activity may come from various sources including, but are not limited to:
- Employees.
- Vendors.
- Members of the public.
- Results of internal or external audit reviews.
- Any other interested parties.

All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor, or any other party with any association with KHC. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

Concerns should be reported to any of the following:
- Director of Internal Audit.

- General counsel.
- The employee's immediate supervisor.
- Any chief officer.
- Chief executive officer.
- Chairman of the Board of Directors.
- Anonymous Fraud and Corruption Hotline – (866) 384-4277 or online through
- EthicsPoint - https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=5039

In accordance with KRS 61.102, retaliation and retribution of any kind will not be tolerated against any employee or officer who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee will be subject to disciplinary action.

All reports will be taken seriously and will be investigated by Internal Audit staff and/or the Legal Department. If deemed necessary, KHC will notify and fully cooperate with the appropriate law enforcement agency. Any investigation resulting in the finding of fraud or corruption will be referred to the KHC Disciplinary Committee for action. Fraudulent or corrupt activities that result in disciplinary action will be reported to the Board of Directors.

02-06.092 DETERRING FRAUD AND CORRUPTION

KHC has established internal controls, policies, and procedures in an effort to deter, prevent, and detect fraud and corruption.

All new employees, including temporary and contract employees, are subject to background investigations including a criminal background check. KHC will also verify all applicants' employment history, education, and personal references prior to making an offer of employment.

All vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business in the Commonwealth of Kentucky. Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a debarred party.

All contractual agreements with KHC will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption. KHC employees will receive fraud and corruption awareness training. New employees will receive training as part of orientation at the commencement of employment. All employees will receive fraud and corruption awareness training every two years.

02-06.093 CORRECTIVE ACTION

Final determination regarding action against an employee, vendor, recipient, or other person found to have committed fraud or corruption will be made by the Disciplinary Committee comprised of KHC's general counsel, director of Internal Audit, director of Human Resources, and the chief executive officer.

Offenders at all levels of the Corporation will be treated equally, regardless of their position or years of service with KHC. Determinations will be made based on a finding of fact in each case, actual or potential damage to the Corporation, cooperation by the offender, and legal requirements.

Depending upon the seriousness of the offense and the facts of each individual matter, action against an employee can range from written reprimand and a probationary period to legal action – either civil or criminal. In all cases involving monetary losses to KHC, KHC will pursue recovery of losses.

To Sign up Counseling Agencies

Counselors must complete the UBP Counseling Participation Agreement and Counseling Agency Information Sheet. Upon receipt of those forms, the following steps occur:

1. KHC's Counseling Manager will verify that signer is authorized to sign on behalf of the agency. Can be done one of three ways:
    a. The Counseling Agency submits a board resolution listing the signer as an authorized signer.
    b. The signer is listed as an officer of the Agency on the Agency's web page. A copy is printed and added to the Participation Agreement.
    c. The signer is listed as an officer of the Agency on the Kentucky Secretary of State's web site, under Business Records. www.sos.ky.gov. A copy of the business record is printed and added to the Participation Agreement.
2. Submit Participation Agreement and signature authorization to KHC's Legal Team.
3. KHC's Legal Team will review and submit the Participation Agreement to one of KHC's Chief Officers for signature.
4. KHC's Legal Team will then return the Participation Agreement to the Counseling Manager.
5. Once Participation Agreement has been returned, HPC administrative staff will set up the agency in the HPC System.
    a. IDs and passwords will be issued for every agency user;
    b. Agency will be distinguished between Level I (able to offer Loss Mitigation Counseling in addition to UBP) or Level II (UBP only); and
    c. The agency's county coverage will be programmed in the HPC for automatic referrals.
6. An Imaging coversheet will be prepared for each agency's paperwork. The imaging coversheet can be accessed in the P: Drive/Hardest Hit Fund folder/Counselor Agreement and Forms folder/Participation Agreements folder/UBP Participating Agency Imaging Coversheet.
7. The Participation Agreement, signature authorization, Agency Information Sheet, and any other documentation will be imaged into Knowledgelake System. A copy of the fully executed agreement is emailed back to the agency.
8. Once the imaged copy has been verified, the original packet will be maintained by the Counseling Manager.
9. Counselors must be trained on the Unemployment Bridge Program. This can be face-to-face training or by Webinar.
10. The counseling agency's staff is added to KHC's Approved Counselors eGram registry for future communications.
11. The counseling agency's staff email addresses are also added to the UBP Counselor's Distribution list in Outlook.

Protection Center Phone System Script

Call Center staff accesses the Home Protection Center's database via
www.protectmykyhome.org.
Call Center staff should log in and follow the script below:

*Thank you for calling the Homeownership Protection Center referral line. My name is
_____. How may I help you?*

If the caller indicates issues **other than foreclosure**, refer them to the ADD in their area and give them their phone number (see ADD map).

If caller indicates a foreclosure issue, let them know that you will need to take some information from them and proceed with ***New Client*** form and the following questions:

The Homeownership Protection Center serves as a referral resource, connecting Kentucky Homeowners to qualified, KHC-approved housing counseling agencies. If you have just a few minutes, I'll gather your basic contact information so we can send you a packet to complete and I'll assign you to work with a housing counseling agency. Their fee for service is covered through grant funds.

May I please have your name?
➢ Repeat spelling back to caller.

May I have your contact telephone number? Home, work, cell?
➢ Repeat numbers back to caller.

Please state your address, including the city and zip code.
➢ If the caller has their mail sent to a post office box, enter that here.
➢ Regardless of whether or not the caller lives in Kentucky, enter the information.
➢ The Protection Center staff will follow up with the caller.

Do you have an email address? We do not share this email with anyone but we do use it to send you a confirmation email with all the contact information for your counseling agency.
➢ Repeat the spellings back to the caller.

Should we contact you by (see drop down box)?

What is the best time to call (see drop down box)?

What is the status of your mortgage (see drop down box)?
➢ If they say "other", have them briefly explain.

Is the owner of the home living in the property (yes/no drop down box)?

How did you hear about us? (Select from drop down box)

We will need to send you some forms to be completed by you and have them ready for your counselor. We can either mail it to you or send it to your email address. Mail will take a little longer but with email, you can download and print the package and complete them immediately. Which do you prefer?

Who is your mortgage servicer (who do you make your payments to)?

- If the caller indicates KHC, choose this in the drop down for both of the last questions.
- If the caller indicates another company, choose "no" to the question about is this a KHC loan. If they ARE applying for the UBP funds, choose "yes" to the last question and choose their mortgage servicer.

Closing Comments to Caller:
- **Mail response to caller:** *We will mail a package to your address within 2 business days. Please complete the package in preparation for your appointment with your counselor. Your case has been assigned to _____. Your confirmation (case) number is _____. Please make sure you write this information down. You should contact your counseling agency once you have completed all of the paperwork.*

- **Email response to caller:** *You will receive an email with instructions on the package download. A link to our website will be provided in the email along with the name of your counseling agency and case number*. **** Give the caller the agency info and case number even if they choose the email.** *Please complete the package and then contact your counseling agency for some possible pre-screening questions and appointment.*

Thank you for calling.

Below is a copy of the screen the call center team completes while following this script:

Printing UBP Client Labels for Packages *updated 5/15/2014*

Each morning, mailing labels will be printed for the previous day's intake clients who elected to have application packages mailed. Labels are generated through the Protection Center.

1. Log into the Protection Center.
2. Under Cases, select Mailing Labels.
3. Select Start and End Dates, then click Refresh.
4. Click on Download Mailing List. This will export the mailing list into an Excel Spreadsheet.
5. In Excel, insert a row in the very top and label columns A, B, C and D. Save Excel on desktop or in folder.
6. Open MSWord. Go to Mailings, Start Mail Merge, Labels.
7. In Label Options, select product type (based on labels used— presently Avery 5262).
8. Select Recipients, Use Existing List, locate the excel saved in step 5.
9. Insert Merge Field, insert name, street address, city/state/zip fields. Ensure the first label is formatted appropriately.
10. Click Update Labels.
11. Click Preview Results. If deemed necessary, highlight all labels, then go to Home Tab and center the labels. Then go back to Mailings Tab.
12. Select Finish and Merge.
13. Take label page to printer bypass tray to complete task.
14. Please note: steps 1-3 should be repeated, then click the box Only KHC to see which labels are designated for KHC Mortgagees. A separate label page is not printed, but those clients that are KHC clients have a different workflow in the following section.

Mailing UBP Client Packages

1. Each day, the mailing labels and sheet containing all clients requesting mailed packets through the HHF Call Center are generated. KHC borrowers are noted in a separate report (see *Printing UBP Client Labels for Packages*)
2. The HHF Call Center Customer Service Representative will log into FICS and look up each KHC borrower on the report to verify if it is in fact a KHC borrower.
    - Look up by name, then by street address (in case borrower had a name change).
    - If a loan is not a KHC loan, mark the sheet "NOT KHC" and reassign to another counseling agency in the HPC system.
        - Log into the case file.
        - Under Counseling Information, select a new agency based on property location.
        - Add comment explaining transferred case to another agency—not a KHC loan. Click on box to Yes, Send via Email.
    - For KHC loans, must add a memo and update collector code in FICS.
        - Add a memo in FICS
            - Create a new memo
            - To: Loss Mitigation and Collections
            - Date: today's date
            - Subject: UBP Sent package sent
            - Body: DDD (drop dead date)—30 calendar days
            - Memo type: Foreclosure Intervention

- Click add; will be asked if you want to assign memo to other loans. Add same memo to all KHC loans receiving UBP packages that day. Copy Loss Mit and Collector on the memo.
  - Update Collection Plan in FICS
    - Under Collections tab select Collection Information.
    - Collection Plan is under Collector Name.
      - Change collection plan to HPC-UBP Sent
      - Hit Apply
- Send a separate email to khclossmit@kyhousing.org for each KHC borrower receiving a UBP application packet.
  - Email subject line should read Loan number, Borrower last name, Loan type.
3. Preparing UBP application packages for mail:
  - On Checklist in the packet, write loan number (if KHC borrower), case file number, date mailed and date to return (30 days) in *for office use only* section.
    - Include a return mailing envelope in packet for KHC borrowers only.
  - Add mailing label to main envelope (make sure it's the correct borrower based on the case file number written on checklist).

**Completed packages go in the mailing bin by the Loan Production Specialists cubicle.

HHF Processor Workflow (KHC Loans)
File Workflow
1. Read Hardship Application, highlighting anything unemployment/underemployment/Long-Term or Permanent Disability-related.
1. If hardship not related to an UBP qualifying event, follow ineligible steps listed below.
2. If hardship appears to be related to unemployment, under-employment, or qualified disability, go to HPC System and reserve loan for the UBP by completing the Case Info, Applicant, and Co-Applicant tabs, if applicable.
   - Be sure to hit Save at the bottom of each screen before moving on.
3. Under Programs, enroll in UBP.
   - Will be unable to enroll if required fields have not been completed.
   - Loan Information screen will become available once enrolled in UBP.
4. Prepare Green folder for KHC loan files:
   - Put borrower name(s), loan number & HPC number on front of folder.
5. Check the following in FICS:
   - Check bottom of FICS loan information—it will note if file is in active bankruptcy.
   - Collection Information Screen
     - Review past due amount, minus late fees and add two months PITI to determine if the borrower exceeds $10,000.
       - Update FICS memos referencing the calculation.
         - If it exceeds $10,000 will notate the front of the file as ineligible and follow ineligible steps noted below.
     - If file is in Foreclosure, Collection Information Screen will provide a code (FC-1 through FC-5).
       - FC-5 files are imminent foreclosure and are therefore denied for UBP.
       - If sale date is listed in Memos, note that date on the file folder.
         - If less than 30 days until sale, file is ineligible for UBP.

6. Within 7 business days: initial review should be made; the processor should attempt to call the borrower to let them know they are working on their package and give a verbal list of items needed; then a follow-up letter listing outstanding items should be mailed to the borrower(s).
    o Borrowers will be told they have 7 business days to respond—allow more time if necessary but time is of the essence in these transactions.
    o Volume will dictate if this benchmark is reasonable. If there is a pipeline of 25-40 active loans per person this should be reasonable.
    o The follow-up on outstanding items is critical to keep these files moving.   Encourage the use of faxes and email.
7. The final review of the additional information needs to be complete within 7 business days to identify loans that need to be transferred to the loss mitigation team.
    o Loans qualifying for UBP must be submitted to underwriting no later than 30 days of reservation.
8. Once a decision is given from underwriting, the borrower(s) must be contacted for additional information if needed. This should be emphasized that the additional information needs to be sent immediately so the loan can be resubmitted as soon as possible.
9. Once the loan is approved it then moves to the closing/servicer area.
10. Any communication during the entire process from reservation, submission, pending items, approval, and closing will be noted in FICS and the HPC system.

Ineligible/Withdrawal Workflow

Files can be either KUBP Ineligible or Withdrawn. Select KUBP Ineligible if borrower fails to meet qualifications for the program. Select Withdrawal if borrower is non-compliant or they request withdrawal from the program.

Withdrawal:
1. Load client's case file in HPC system.
2. Under Programs, select Withdraw from Program.
3. Add Withdrawal Conditions.
4. Select either non-compliant or borrower's request.
5. Print withdrawal letter.

Ineligible:
1. Load client's case file in HPC system.
2. Under Programs, select View/Change Status.
3. Change Status to dropdown—select KUBPCancel.
4. Ineligible Reason—select the reason. Can only select one.
5. Will need to prepare an ineligible letter listing reason(s) for ineligibility, appeal process, and update that file will be sent to loss mit to explore other options.

Once the withdrawal/ineligible letters have been prepared and HPC system updated, the HHF Processor will update and FICS (memo and collector code), print and add imaging coversheet to the file, then scan/email a copy of file to khclossmit@kyhousing.org.

New UW Files Submission Workflow

1. Make sure documents are acco fastened in a letter size folder and single sided copies.
2. Date stamp and write borrower's last name & client number on front of folder.
3. Log into the HPC system; go to Cases, Search for a Case, enter Case file number. Under Programs, go to View/Change Status and change to "File Rec'd" status.
4. After logging all new files, go to Administration; then Verification Report and print the Data Verification Information sheets for each file. Add Sheets to the corresponding files.
5. Create and print file folder labels for each file with last name, first name and case number.
6. Scan entire UBP file using copier:
    1. Choose scanner option
    2. Select "Folder"
    3. Select "HHF Loans" (this will scan to a folder in the "P drive" name "HHF Loans").
    4. Scan each UBP loan file separately and return to the correct file folder.
7. Go to "P drive/HHF Loans", and right click to rename each scanned file. Suggested renaming would be last name and case file number.
8. Log into the HPC system; look up each file; go to Documents; click Add New Document.
9. Under Checklist Item, select UBP Application Package.
10. Under Browse, go back to the HHF Loans folder and select that borrower's scanned file.
11. Click Save.
12. Double check that the correct file was uploaded to each case file in the HPC system.
13. Once all the files have been logged "File Rec'd" and scanned/uploaded, go to Administration and click File Received Report.
14. Select correct date and print the screen that should show only the files logged that day.
15. Take all new UW files and the File Received Report to the UBP UW drawer outside the UW manager's office.
16. Place the stack of files at the end—UW's review files by the dates received.
17. Add File Received Report to the top of the clipboard pages—on top of the previous File Received Report.
18. Please note: If more files are brought that same day, it will be necessary to print and replace the File Received Report for that day.

Receipt of Pend Corrections

1. Pend corrections will be mailed in, emailed to ubploans@kyhousing.org, or faxed.
2. Print email and attachment. Click a check mark in the email once it has been printed.
3. Combine with file.
4. Place file in the UW review drawer.

Re-Certification of Unemployment

Effective in 2012:

1. Once per quarter, the Mortgage Business Analyst or Homeownership's Financial Analyst will sort 20% of UBP loans in Servicing Status with "Unemployed" as the employment status of borrower.
2. The KHC staff member will access to the Kentucky Office of Employment and Training's database will check the status of each borrower's Unemployment Benefits.
3. Each record will be noted when benefits are scheduled to end.
4. The report is then given to the UBP Account Manager.
5. Borrowers still receiving unemployment benefits will be notated in HPC system in comments.
6. Borrowers that are not receiving unemployment benefits will be sent a letter by certified mail notifying them they've been selected for recertification as a quality assurance measure of the program.
   - Borrowers must provide updated income/employment status information, including new paystubs if back to work; bank statements and a certification if their benefits have ended and they remain unemployed; or proof that they are still receiving unemployment benefits if they are (has been the case if their unemployment comes from a border state rather than the KY office).
   - Underwriting will review and sign off on any re-evaluations of income.
7. Borrowers must provide this documentation before the end of the month in which the re-certifications are been completed—before mortgage payments are processed again.
8. Borrowers who fail to respond are transferred to the Servicing team.
   - They'll receive a termination letter with 30 days to appeal.
9. All activity is noted in an excel report and comments in HPC system are updated.
10. All work papers are imaged.

Counselor Pipeline Maintenance

Pipeline reports are pulled by "program." When a new case file is created, it shows up as a HPC program file. If it is ineligible for UBP, it will remain in this status as a loss mitigation client. Once it has been reserved for the Unemployment Bridge Program, it is now part of Treasury reporting. Below are the maintenance steps for both the HPC and UBP pipelines. Emphasis is placed on the UBP pipeline. Pipeline reports are available on the HPC system by going to Agency, clicking on Pipeline reports then selecting the desired report(s). Agencies are encouraged to pull these reports at least monthly. KHC staff also pulls and distributes reports monthly.

HPC Pipeline Maintenance:

1. Pull HPC pipeline reports and highlight any case files that remain "InProcess" 30 days after initial entry without a date contacted added.
2. Look up each of these cases in HPC system. Note the cases that have comments explaining the delay and note the cases that have no comments.
3. Email the main agency contact the list of cases (divided into cases with and without comments) and ask them to clean up the pipeline. Give them 1 week to clear the pipeline.
4. In 1 week, check the list again. Call the agency and ask about any cases that remain unchanged. Have agency update those still viable cases, explaining the urgency to get the case moving soon.
5. Withdraw for non-compliance--any cases that remain unchanged.

Please note: Some agencies use the HPC system to track their Loss Mitigation counseling as well. It is more difficult to withdraw HPC cases for this reason. As these cases are not included in Treasury reporting and as the KY Homeownership Protection Center had this purpose before UBP and will have it after UBP, there may be older cases in this pipeline report.

UBP Pipeline Maintenance:

1. Pull UBP Reserved and Pending Reports.
   o Highlight any cases that have been reserved status longer than 30 days without change. Check comments in HPC system explaining a delay.
   o Highlight any cases that have been pended by KHC but remain in that status 2 weeks later. Check system for comments explaining a delay.
2. Email this list to the agency, giving them one week to update the status/clear pends on these file.
3. Follow-up in 1 week. Withdraw any cases that need to be withdrawn.

Please note: KHC retrofitted some programming in March 2013 to streamline some processes and add some security features. During this time and major programming overhaul, the reports function was broken. Reports were duplicating case file and pended functions weren't resetting when UW had to pend a 2nd time. Therefore, pending reports were not working properly. KHC staff have made every effort since the reports were fully corrected in May 2013 to update the pipelines but Audit or Treasury may note cases on the pended report that appear to be older with no movement and that may not be the case.

Program Communication

Training

Participating counseling agencies are trained when first entering the program. Additional training is available at any time at the request of the agency. KHC may also elect to re-train a counseling agency if weaknesses are found in their processing of UBP files or delays in the service provided to clients. Trainings can be face-to-face, on- or off-site, and also using KHC's GoToWebinar system and coordinated by the Counseling Manager or UBP Account Manager.

Updating Forms

All documents are maintained on KHC's Private Drive (P:drive), where limited staff have access. The Counseling Manager is responsible for updates.

1. Once updates have been made, Counseling Manager will forward copy of proposed changes to the Homeownership Management and Internal Audit teams for review and comments.
2. Once all input has been considered and final changes are approved, Counseling Manager will save a copy in pdf format then will update the documents on the web using Content Management System.
3. Changes to forms and web are communicated to outside partners using KHC's eGram system.

eGram System

Changes to policies, forms, and web content are communicated to internal staff and outside partners through KHC's eGram system.

1. The Counseling Manager will create an eGram draft using Microsoft Word.
2. A copy of the completed draft is forwarded to the Homeownership Management Team for review and approval.
3. Once approved, the Counseling Manager will create an online Communications request on KHC's internal website, attaching a copy of the draft.
4. A member of KHC's Communications Team will proof and format the draft, sending it back to the Counseling Manager and Senior Director of Homeownership for final approval.
5. Once approved, the Communications team will send the eGram out to the KHC Approved Counselors eGram registry list.

KHC Underwriting Workflow

KHC Underwriters will review UBP files according to current Underwriting Guidelines, published on the Web. All underwriting decisions are logged into the HPC system and counselors are notified of status changes via email automatically from the system. When Underwriters work from home, all files are reviewed electronically through a secured system. The Underwriters are responsible with updating all applicant and loan information in the HPC system as they complete the underwriting process.

Underwriting Procedures When Working From Home

1. Underwriters will copy the Underwriting Submission Checklist from each file to be reviewed at home. This checklist has the case file # on it.
2. Underwriter will log in to HPC system and search for the case file they are reviewing.
3. Under **Documents**, open the UBP Application Package.
4. Underwrite the file, making notes on the Checklist, Income Worksheet, and Underwriting Worksheet.
5. Pend, Deny, or Approve the loan as described below.
6. Upon return to the office, pull the actually file, add all worksheets, label the front of the file with Approved, Pended, or Denied and add to the appropriate filing cabinet.

Procedures to "Deny" UBP Loan

1. In the HPC system, **Search for a Case.**
2. Enter Case file #.
3. Go to **View UW Conditions.**
4. Add Condition
5. In *Category*, select *Denial*.
6. In *Existing Condition*, select a pre-programmed condition; or
7. In *Condition* box, type specific denial reason.
8. Click <u>Save</u> when that condition is completely entered.
9. Repeat steps 4-8 for each additional denial reason.

10. Once all reasons for denial have been added, go to **Programs; View/Change Status**; and change status to Denied.

11. Under **Programs**, click **Print Client Forms**.
12. Check the box next to **Denial Letter** and click **Print Forms**.

13. Print, sign and add letter to Denied UBP loan file.
14. Write the status on the front of the folder and leave file in the denied UBP bin outside of the kitchen.

Appeals Process

1. UBP underwriter denies the loan—listing reason(s) for denial on letter.
2. Status changed to Denied in HPC System.
3. Email automatically goes to counseling agency notifying them of file denial.
4. Counselor prints denial letter to mail/email to the client.

5. If client disagrees with the denial and can provide additional information to dispute the specific reason(s) for denial, the following steps should occur.
6. Borrower(s) should write letter of explanation, requesting reconsideration for the program and explaining why the denial reasons do not apply.
7. Borrower(s) should gather any additional documentation to support the appeal.
8. Borrower(s) will give this documentation/letter to their counselor.
9. Counselor will submit the appeal to ubploans@kyhousing.org.
   - **Subject line: Appeal of UBP Loan Denial. Be sure to include last name and case file # of client.**
10. New documentation and borrower(s) explanation will be added to the denied loan file and will be reviewed by an underwriter.
11. If the additional information does qualify the borrower(s) for UBP, the underwriter will change the decision in the HPC system, either approving the loan or issuing any remaining pended conditions.
12. If the second underwriter reviews and still denies, the file will be reviewed one last time by the Underwriting Manager or Director of Homeownership.
13. If the final decision remains a denial, the following denial condition will be added in the Protection Center and communicated to the counselor.
   - **Request for Appeal has been denied _____ (current date). Borrower(s) do not meet UBP qualifications.**
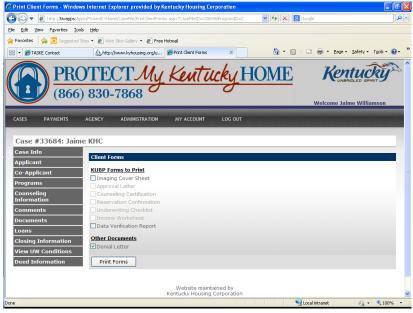
Procedures to Pend a file

1. In the HPC system, **Search for a Case.**
2. Enter Case file #.
3. Go to **View UW Conditions.**
4. Add Condition
5. In *Category*, select *Pending*.
6. In *Condition* box, type pended condition.
7. Repeat step 6 for every pended condition
8. Once all pending conditions have been added, print the View UW Conditions screen. Add to the file folder on top of the application package.
9. Go to **Programs; View/Change Status**; and change status to Pend.
10. Write the status on the front of the folder and file it the UW Pended drawer.

Procedures to clear "Pending" items

1. In the HPC system, **Search for a Case.**
2. Enter Case file #.
3. Go to **View Underwriting Conditions**.
4. Select the pended item to clear.
5. Complete the *Date Cleared* field.
6. Click Save.
7. Repeat steps 4-6 for each pending item to clear.
8. If any new conditions are to be added, complete step 4-6 from the **Procedures to Pend a file** section.
9. If all pended items have been updated and file is still pended, underwriter will go to **Programs; View/Change Status** and change to Pend.
   o This will notify the counselor that the file has been reviewed and reset the file in the HPC Pended pipeline report.
10. If all pended items have been cleared, the Underwriter will complete "Approval" steps.

Procedures to "Approve" UBP Loan
All pended conditions have been cleared and all data in HPC system has been updated.

1. In the HPC system, **Search for a Case.**
2. Enter Case file #.
3. Go to **View UW Conditions.**
4. Add Condition
5. In *Category*, select *Approval.*
6. In Existing Condition drop down, select pre-programmed condition. Conditions will be listed in the UW's worksheet in the file. Will always list the following but could list additional items:
   - Document Expiration
   - Servicer Approval/Clear Title
   - 4506
7. If the condition is not pre-programmed, type it manually in the *Condition* box.
8. Click Add a Condition after entering each one.
9. Once all approval conditions have been updated, go to **Programs; View/Change Status** and changing to Approved.
10. Hit Submit at the bottom of the page to save changes.
11. Under **Programs,** click **Print Client Forms.**
12. Print and sign the Approval and add to UBP file.
13. Write the status on the front of the folder and leave file in the approved UBP bin outside of the UBP Closer/Servicer Liaison area.
14. The closing team will order the deed—see Closing Procedures.

Re-Evaluation Workflow
1. Counselor sends completed re-evaluation form and supporting documentation to KHC by fax or email to ubploans@kyhousing.org, attn: UBP Re-Evaluation.
2. KHC staff pull pends each day. Re-Evaluations will be handed off directly to Underwriting Manager, who will distribute to the Underwriters.
3. Underwriter will check the calculations used and try to find the pre-event income on the closed loan through Knowledgelake or HPC Comments (UW's should note pre-event income in comments during initial underwriting)

   ***NOTE:** If pre-event income is not available in Knowledgelake or comments, Underwriter must request additional documentation.
4. If the borrower was unemployed and has regained employment, check to make sure the new income still constitutes at least a 15% reduction from pre-event income. If so, they will continue to qualify for the program. If not, KHC will pay 2 more payments from start date and stop.
5. If items are missing, KHC UW will list them in comments in HPC system, clicking the box to email the counselor directly.
6. Underwriter to place form and documentation in folder marked UBP Re-Evaluation in UBP underwriting pend drawer
   - Information required will be sent from counselors to UBP e-mail box (subject line to reflect re-evaluation with name & loan number of client).
   - Loan Production Specialist will print information from e-mail box, match it with documentation in folder and give to Underwriting Manager who will distribute it to Underwriters.
   - Underwriting Manager will check folder daily and counselor will be called if information has not been received within 48 hours.

7. If KHC determination differs from the counselors at all, UW will notify counselor of the difference via email.
8. Give a copy of the re-evaluation form to the Financial Analyst to pay the invoice.
9. Print the imaging coversheet (closed loan) from the HPC system and paperclip on top of the rest of the documents.
10. Make comments in HPC on that file that the re-evaluation was received and completed along with outcome.
11. If borrower **STILL** meets eligibility requirements: Underwriter will place packet in the UBP add-on drawer (currently next to Cindy Israel's cubicle).
12. If borrower **NO LONGER** meets eligibility requirements, Servicer Liaison Manager gets the completed packet and will:
    o hold on to it until the last payment is made;
    o send a letter directly to the borrower;
    o note in HPC when letter has been sent; and
    o submit paperwork to imaging once final payment has been made.

Closing & Post Closing Team Procedures

Deed Ordering Procedures *updated 05/14/2015*
1. Color code the file based on chart. Western counties will have an "X" on the dot, Eastern counties will not.
2. Look up property address on www.usps.com.
    o Make sure the county is correct in the system—verify with usps.com and also tax bill in file.
    o Make sure address matches what is in the Protection Center (check for spelling, Dr. vs Ave., etc).
3. Review loan approval to see if a non-borrowing spouse needs to be added to the system.
4. In the system, under Closing Information, select Attorney and Closer, add non-borrowing spouse, if applicable, then click "save" to update the information.
    o Attorney for Eastern counties is Kincaid & Stilz, PLLC.
    o Attorney for Western counties is McBrayer, McGinnis, Leslie, & Kirkland, PLLC.
5. Under Programs, select Print Client Forms. Select Legal Description Request. Click on print forms. Print one for the file and attach to an email to send to appropriate attorney's office. Subject line of email should read "HHF Legal Request # _____ (case number); Last name of borrower and county of property."
    o Contact for Kincaid & Stilz, PLLC is Cathy Williamson. Email is cwilliamson@ksattorneys.com. Also copy Caroline Powell, cpowell@ksattorneys.com.
    o Contact for McBrayer, McGinnis, Leslie & Kirkland, PLLC is Lori Cromer. Email is lcromer@mmlk.com.
6. Under Comments, add the comment "Deed ordered."
7. Attach the copy of the request form to the left side of file folder.
8. Place file in the far left side of top drawer of the Servicer Liaison's cabinet. DO NOT file in the cabinet.
9. Deed orders are tracked in Excel spreadsheet. Outstanding orders are followed up on every week by contacting the attorney's offices.

Closing Workflow *updated 5/14/2014*
1. Coordinate closing with the borrower(s) closing locations and Attorneys.
    • Check Attorney's schedules first to see which days they can travel to which location.
    • Then confirm date with the location (noted on the closing locations chart).

- Finally, begin to schedule with borrowers in the regions. Be sure to instruct the borrower(s) to bring photo id, ask if they've regained employment before scheduling, and if applicable, co-borrower/non-borrowing spouse must also attend closing and bring photo id.

2. Once the closing has been scheduled with all parties, go to HPC system, under Closing Information, add closing date and save.
3. In View UW Conditions, add Closing Conditions.
   - Category: Closing.
   - Existing Condition: Select one at a time—full description will be Condition Box.
     i. The following conditions are listed on EVERY closing:
        1. Sign Note & Mtg
        2. Same Name Affidavit
        3. Photo ID
        4. Mortgage
        5. Approval Letter
        6. If loan does not close
     ii. The following conditions are only if applicable and listed on UW's approval:
        1. Non-Borrowing Spouse
        2. Tax Returns (will need to type in the applicable years on approval)
        3. Borr sign/date Second Lien Notice
        4. Borr sign/date HELOC Notice
        5. Obligor's Election
   - Click Add Condition for each condition added.
4. In Programs, Print Client Forms, print the closing package (closing instructions, note, mortgage, Unemployed Bridge Loan Program Terms and Conditions, along with the approval with any conditions, *if applicable*). This will pull the package up in pdf—email this to the Closing Attorney. A copy of the closing instructions to be printed and added to the file.
5. Print and put imaging cover form in file along with copies of closing documents.
6. The file then is stored in HHF file cabinet in order of closing date

Post-Closing Workflow *updated 5/14/2014*
1. When closing package is received from attorney, pull the file to combine with the package for review.
2. The status of loan is changed "To Servicing" in the HPC system.
3. Review the file using post-closing checklist.
4. If any corrections are noted, follow the steps above for Adding Closing Conditions, except select Post Closing Condition as the Category. Also, notify the attorney for any corrections to be made. Store file in HHF cabinet until all items are cleared and/or recorded mortgage is returned.
5. Track the return of outstanding issues and the receipt of the recorded mortgage which are due within 60 days of closing.
6. When recorded mortgage is received, pull file and enter the recording information of the recorded mortgage in the HPC system and get file ready for imaging (cover sheet is top page, no staples, paperclips, post its, etc).
   a. Go to Protection Center, open case number.
   b. Deed Information, add mortgage book and page number (first page of recorded mortgage), then recording date. If the page in system as fields for pidn and group numbers, add them—typically found on the legal description page of mortgage.
   c. Click Save.

7. Make sure file is ready for imaging—everything on right side of folder, imaging coversheet, followed by TPA's, then closing docs and finally the original UW file.
8. Place file in call center cabinet until enough files to send to Imaging.

Sending files to imaging *added 5/15/2014*

1. When there are enough files to fill an imaging box, send them to imaging.
2. Go to Communicator, Departments, Records Management, Box Transmittal by Department. Select Homeownership Transmittal.
3. Click box next to HHF in to section. Leave Box Number column black (Records Management will complete that field.
4. In Title of Records, list HHF Closed Loans (or HHF Denied Loans, depending on files). Below that in same box, list HHF Case # and borrowers last name, first name for each file in that box. Under Date of Records, list the current date.
5. At the bottom of form by "Transmittal created by:" name of person preparing box is listed.
6. Completed transmittal should be emailed in Word format to FacilitiesandCustomerService@kyhousing.org. That team will coordinate the pick up and transport of imaging boxes.

RECORDS RETENTION BOX TRANSMITTAL

DEPARTMENT: Homeownership

Please check box:

☐	Post Closing	022 .001
☐	Security Docs	022 .002
☐	Non-Purchased Loans	022 .003
☐	Education and Counseling	022 .005
☐	Treasury Audit	022 .008
☐	HHF	022 .009
☐	HPC	022 .010

BOX NUMBER	TITLE OF RECORDS	DATE OF RECORDS

Payment of closing fees

1. Vendors deliver a monthly statement to the paralegal by the 10th of the month itemizing each loan closed the prior month.
2. The paralegal prints a closed loan report for the month and reconciles the charges shown on the statement against the closed loan report.
3. For each vendor, the monthly statement is attached to a check request which is signed by either the General Counsel or the Director of Program Reporting and Tracking and delivered to the accounting department.
4. The check is mailed by the Accounting Department directly to the vendor.

Counselor Payment Workflow

The counseling agencies are paid $350 for each successful file that is approved in the HPC system and $100 for each Re-Evaluation completed.

Payment for Approved Loans:

1. The Financial Analyst will run the "approved cases by agency" crystal report from the HPC system for the previous month, usually around the 15th of the month.
2. This report prints all approved cases for the agency and calculates the total amount due for the previous month.
3. The financial analyst reviews and approves the report and submits to Loan Production Specialist to enter into Great Plains.
4. Once voucher is created in Great Plains, the accounting department processes the check and mails to the agency.

Payment for Re-Evaluations:

The re-evaluation invoices are received and approved by the Financial Analyst. These are processed on an as needed basis.

1. The financial analyst reviews and approves the report and submits to Loan production specialist to enter into Great Plains.
2. Once voucher is created in Great Plains, the accounting department processes the check and mails to the agency.

Servicer Relationships:

Servicers enter as partners with the UBP in two ways.

1. Counselors can send emails or (participant) can complete form on www.protectmykyhome.org to notify Servicer Liaison of potential servicer.
2. Servicer is added to UBP through contact from the Servicer Liaison prior to a potential borrower making contact with Kentucky Housing.

Servicer Enrollment to begin UBP

1. Send recruitment packet by email, fax, or mail.
   a. Recruitment letter
   b. Underwriting guidelines
   c. Enrollment form
   d. Roles/Responsibilities
2. Enter servicer contact information in Servicer spreadsheet under the servicers tab.
3. Do follow-up with unresponsive servicers as needed.
4. As servicers respond, log responses on servicers tab of spreadsheet
5. If servicers respond favorably, copy information to the lead tab and highlight the original information in the servicer tabs in green.
6. If servicers become blues (semi-hot leads), hot leads, or enrolled, appropriate servicer code should be chosen on the lead tab and the information updated.
7. When servicers enroll, KHC receives the enrollment form with documentation of the bank account number (i.e. memos, voided checks, voided deposit slips, screen shots, etc.)
8. Take the enrollment form with attachments to System Administrator to get the servicers on the approved list.
9. System Administrator returns the forms to Servicer Liaison, who then takes the forms to the Assistant Comptroller.
10. Assistant Comptroller sets up account in Great Plains (GP) and logs GP number on form.
11. Assistant Comptroller copies form and returns it to Servicer Liaison.
12. Servicer Liaison takes to System Administrator for GP number to be entered in HPC.
13. System Administrator checks office use and returns to Servicer Liaison.
14. Servicer Liaison adds servicer email to distribution list and lead spreadsheet found on the P:drive/HHF Servicer Payment Reports.
15. Servicer Liaison scans form, saves it to P:drive/HHF Servicer Payment Reports/Enrollment and appropriate servicer folder. Then, files the hard copy.
16. Servicer may require KHC to sign agreement. Follow-up on that may be needed.

Servicer Agreements

KHC does not require "servicer participating agreements" (SPA), but servicers may ask for them to be signed.

1. If servicer does not have an agreement, send them the Dept. of Treasury Standard HHF agreement.
2. Receive changes for agreement and servicer liaison manager will review.
3. Any unusual changes will be escalated to Legal team.
4. Log date sent to legal in the Servicer Agreement Legal spreadsheet.
5. Follow-up with legal as needed.
6. Send KHC comments to servicer.
7. Finalize agreement.
8. Send to legal for approval.
9. Take to Deputy Director for signature.

10. Send to servicer for signature.
11. Update Servicer Agreement Legal spreadsheet as needed.
12. Receive final copy. Save it in P drive/Hardest Hit/Servicer Agreement. File it in appropriate file folder.

Welcoming Servicer
1. Establish payment process and communication needs with servicer. (General rule: If servicer is working with other HHF states, choose Option I. If servicer is small and unique to Kentucky, choose Option II.)
2. Enter process data into Servicer File Transmission Requirement spreadsheet. If special circumstances exist, all details should be entered into the Servicer File Transmission Requirement Word document, which is used mostly for SFTP directions.

Servicer Emails & Communications
1. Add newly enrolled servicer to Outlook contacts.
2. Add new contact to HHF Servicers distribution list.
3. Send e-mails to servicers as communications are needed through distribution list.
4. Any transmission of the Option I or II should be done through either secure email or FTPs (specified by the servicer).
5. Set up personal folder in Outlook for each servicer. All records sent and received will be saved to this folder when using email.

Webinars
1. Schedule webinar through Go-To-Meeting and follow steps to invite participants as needed.
2. Host webinar with Power Point presentation.

SFTPs using File Zilla

To set-up servicers:
1. Send information to IT to open the firewall for SFTP connections for servicers.
2. Enter information into File Zilla by opening File Zilla.
3. Go to file site manager.
4. Enter New Site.
5. Enter host, port, choose SFTP-SSH File Transfer.
6. Log-on type is normal; enter user and password based on information from servicer.
7. Then, click ok.

To send files:
1. To connect, click down arrow by computer-looking icon.
2. Choose servicer.
3. Click okay on pop-up window.
4. Find file on local site (BE CAREFUL OF FILE FOLDERS; SEE FILE TRANSFER REQUIREMENTS FOR DIRECTIONS).
5. Right click and select upload.
6. Look at successful transfers tab to ensure it is correct.
7. End connection by clicking the red X.

To receive files:
1. To connect, click down arrow by computer-looking icon.
2. Choose servicer.
3. Click okay on pop-up window.
4. Find file on remote site, and click download.
5. Look at successful transfers tab to ensure it is correct.
6. End connection by clicking the red X.

Upload Third Party Authorization Forms into HPC System
1. Underwrite approves loan and places file in approved tray.
2. Closer retrieves file and orders deed, then places file in servicer liaison team's filing cabinet.
3. Servicer Liaison separates files by servicers.
4. Pull Third Party Authorization form out and scan to email.
5. Save from email to P:drive/HHFServicerPayments/TPA folder using naming convention (i.e. Loanxxxxx_SER_KY_H).
6. To upload TPA to Protection Center, go to case file, Documents, Add New Document. Select UBP Third Party Authorization as Checklist Item. Hit Browse and select correct TPA and hit save to upload.
7. Remove other documents that are loaded in this screen by clicking edit and remove (would be the original UW file scanned into system for home reviews.)
8. Continue to I-record.

Note: Beginning in April 2013, the TPA changed to a universal TPA that should work with servicer transfers so new TPAs do not have to be secured.

Option I

I-record

1. KHC places a Common Data Form Checklist page in front of file on the right-hand side and writes servicer and loan number on it.
2. Prepare initial (i-record) submission of common data form (CDF) by going to Protection Center/Payments/CDF I-records.
3. Select servicer.
4. Enter Case File ID. Hit magnify glass. (If more than one borrower in in queue for servicer, then repeat step 4 for each ID number)
5. Hit create I-record.
6. Go to P:HHF Servicer Payment Report/ProtectKyHome Export.
7. Open file to check accuracy, especially loan number. Reformat loan number to number less leading zeroes are required or number is too long
8. Put appropriate servicer name in servicer column and save file.
9. Copy the columns A-T over to the CDF Master on the appropriate servicer tab, which is found at P:HHF Servicer Payment Report/CDF Master 7.0 6.24.2013 (saved by alphabet breakdown).
10. Rename I-record by right clicking and choose rename.
11. On the common data form checklist, check the I-record box and enter the date.
12. Send I-record to servicer through via secure email or FTP folder. See Transmission Requirements for details. Email should have the secure tag, then "I-records." Attach I-record and each applicable TPA.

Note: Wells and Loan Care must have the leading zeroes present in loan number, which means they will need to have a custom format and save as an excel file. PNC Retail may need a custom formatting if loan number is too long. It will too need to be saved as an Excel. These are the only files where csv should be changed to xls.

V.O-record

1. Servicer sends CDF back through secure email or SFTP.
2. Save CDF to P:HHF Servicer Payment Reports/New Servicer Validation.
3. Open Protection Center and look up ID number. Select borrower. Choose the loan tab. Select appropriate loan.
4. Review CDF columns U – BD if borrower is validated (V-record). Also verify loan number for accuracy.
5. Enter information onto the loan profile from the CDF (see Quick Reference Guide) and push update at the bottom of the loan profile.
   - Pay attention to date of default to calculate number of months behind.
   - Pay attention to good through dates. Sometimes these dates will fall around the same time of month on date of defaults. Not always will that month's mortgage payment be included.
   - Must select correct monthly payment. If bringing current, use AI. If not bringing current, use AJ. They are usually the same, but they aren't always.
   - For Chase, pay attention to which account to choose (i.e. 465).
   - Also, look for a HAMP Trial denoted by "1" in mod column.
6. Check v-record on common data form checklist and write the date of the CDF.
7. If all mortgages are validated, go to borrower record, programs, change/view status, and select "Servicer Approved".
8. Copy columns U-BD on to the Master CDF with the appropriate servicer tab.
9. Take the file to the closing team.
10. If not all mortgages have v-records, return file to file cabinet.
11. If the CDF is an O-record (objection).

12. Circle O and date the common data form checklist. Determine if you can re-submit the I-record or if it is a hard objection (i.e. active bankruptcy, charge-off).
13. Copy the O-record to the CDF Master sheet on the appropriate servicer tab.
14. If re-submitting, follow the I-record procedures or place in the objection file if waiting on additional items for re-submission. Once items are returned, follow i-record procedures.
15. If not re-submitting, comment in Protection Center under comments as to what happened. Then take the file to Servicer Liaison Manager, who will submit it for denial to an underwriter.
16. If file received an objection due to a charge-off, delete charged off loan, comment the system and check the box to copy counselor. Take the file to underwriting for a new approval. Then take the file to the closing manager. (The closing manager will contact the borrower and explain.)
17. If record in New Servicer Validation folder has a mixture of P records, V-records, and E-records, the file should always be saved to the servicer V-record folder.
18. If reinstatement is over max and servicer requires a full reinstatement, liaison reaches out to counselor to see if the borrower can come up with the difference.
19. If the borrower can come up with difference, the liaison will need to negotiate the payment process with servicer.
20. If the borrower cannot come up with the difference, the liaison comments the borrower record in the Protection Center, prepares a D-record and sends. Then, takes the file to the underwriter for a denial due to servicer requiring a full reinstatement.

Option II

Initial (I)-record
1. Place a Common Data Form Checklist page in front of file on the right-hand side and write servicer and loan number on it.
2. Prepare initial (i-record) submission of common data form (CDF) by going to Protection Center/CDF I-records.
3. Select Servicer
4. Enter Case File ID. Hit magnify glass. Repeat step 4 if more than one borrower per servicer.
5. Click optional lay-out. Hit create I-record.
6. Go to P:HHF Servicer Payment Report/Servicer folder/ProtectKyHome Export.
7. Open file to check accuracy. Put appropriate servicer in servicer column.
8. Copy the columns A-T over to the Option II Master on the appropriate servicer tab, which is found at P:HHF Servicer Payment Report/Option II Master. (Tip: It is easier to select the entire row for copying.)
9. Save Initial record on P:HHF Servicer Payment Report/Servicer folder/I-record by naming convention.
10. KHC sends Initial record to servicer through via secure email. See Transmission Requirements for details. Put in email subject line secure information and "initial record." Attach the initial record and TPA(s). Type in body "This borrower is conditionally approved for UBP. Please complete the spreadsheet information and send back."
11. On the common data form checklist, check the I-record and enter the date. Place file in file cabinet.

Validation/Objection record
1. Servicer sends Loan Exchange back through secure email.
2. KHC staff saves Loan Exchange to P:HHF Servicer Payment Reports/New Servicer Validations and save email to servicer folder in personal folders in Outlook.
3. In the Protection Center, borrower record, click on Loan and select appropriate loan.

4. Review Loan Exchange columns O - AC if borrower is validated (See Quick Reference Guide).
5. KHC enters information onto the loan profile from the Loan Exchange and pushes update at the bottom of the loan profile. (Most servicers with this option are small. Pay attention to default dates and good through dates. They do not always complete these as we trained.)
6. Check v-record on common data form checklist and write the date of the Loan Exchange.
7. If all mortgages are validated, go to Borrower record, programs, view/change status. Select servicer approved and hit update.
8. Copy columns O-AC on to the Master Option II with the appropriate servicer tab.
9. Take the file to the closing team.
10. If the Loan Exchange is an O-record (objection).
11. Circle O and date the common data form checklist. Determine if you can re-submit the I-record of this is a hard objection (i.e. active bankruptcy, charge-off). (Objections are very rare with this option.)
12. Copy the objection to the Option II Master sheet on the appropriate servicer tab.
13. If re-submitting, follow the Initial record procedures.
14. If not re-submitting, comment the system, take the file to manager, who will submit if for denial to underwriting.
15. If reinstatement is over max and servicer requires a full reinstatement, liaison reaches out to counselor to see if the borrower can come up with the difference.
16. If the borrower can come up with difference, the liaison will need to negotiate the payment process with servicer.
17. If the borrower cannot come up with the difference, the liaison comments the system and takes the file to the underwriter for a denial due to servicer requiring a full reinstatement.

Options I and II Approval/Denial records
1. UBP loan closes.
2. On reinstatement day (Tuesdays), prepare A-records (approval records).
3. Go to HPC/payments/CDF A-records.
4. Select start date (first date on reinstatement batch).
5. Select end date (end date on reinstatement batch).
6. Click refresh.
7. Scroll to bottom and click create A-records.
8. Go to P drive/HHF Servicer Payment Reports/Protectkyhome folder. Drag all A-records created to A-record folder.
9. Open each record and follow for Option I.
   a. Look up borrower to determine servicer.
   b. Enter servicer in appropriate column.
   c. Format loan number to number or custom.
   d. Scroll to BK and enter end of the month date for R-program.
   e. Enter reinstatement amount in column BM for R-program.
10. For Option II, enter servicer in servicer field and continue.
11. Save.
12. Copy record to the CDF Master or Option II Master.
13. Save and close the A-record. Click the file in windows and right click to rename using naming convention.
14. Save the record in P:HHF Servicer Payment Report/Servicer Folder/A-record.
15. Send to servicer based on transfer requirements.
16. Option I email tag for secure and type "A-record" in subject line.
17. Option II tag for secure and type "Approval record". In body, type "This informs you that the borrower closed on UBP, and you should receive funding soon."

18. Some A- and D-records may have to be done manually, in cases of servicer transfer or denials prior to funding.

Note on A and D records: If borrowers were not due for a reinstatement, then, a D-record should be sent on the R-program with a reason code of 3 (unless Bank of America).

Wells-Fargo will handle reinstatements differently. See the File Transfer for details.

Payment Procedures – Option I & II

Re-instatement Fee
1. Go to HPC/Batch Payment.
2. Enter from date to be previous Tuesday (first date of new payment cycle).
3. Enter To date: to be the Monday (day before processing payments).
4. Enter closing date for day after the "to" date. Select "only catch-ups".
5. Hit magnify glass. Report will generate and then, print report.
6. Check all servicer approved status with comments on the records to ensure that loan did in fact close.
7. Match all payment amounts with Option I and Option II masters.
8. If payment amounts differ, write the correct payment amount on the batch payment report. *(Pay special attention to good through dates. Typically, the good through date will include the month's mortgage payment in which it ends. If making reinstatement payments prior to that month's mortgage payment, the mortgage payment should be backed out of the reinstatement.)*
9. Once finished, go to each record that needs revisions and correct amounts in the loan profile by changing the reinstatement amount. The good through date may need to be tricked to make the mortgage payment schedule filter correctly. Go to payment schedule and click rebuild to get correct reinstatement amount to build.
10. Go to loan profile and correct reinstatement amount. Correct the amount and push save. Then, go to payment schedule and push rebuild. Corrected payment should display.
11. Go to P:HHF Servicer Payment Reports/Payments/Weekly Payment Adjustments. Find the excel spreadsheet with the appropriate funding date (effective payment date of this payment). Make any adjustments that should be made by finding the borrower and adding a payment on the payment schedule. Pay attention to whether the adjustment is for the U- or R-program.
12. Repeat steps 1 – 4. (Staff may need to alter the payment types if adjustments are happening with payments other than only catch-ups. Then, staff may need to click all borrowers who should not have payments made.)
13. Then, enter the current date for change payment dates to.
14. Enter ACH Effective Date for the following Friday (3 days later in most cases).
15. Approve payments in HPC system by pushing "accept payments" button.
16. Servicer Liaison completes accounting form, secures supervisor signature, and takes it to senior account representative.
17. Senior account representative follows accounting procedures.
18. Liaison prepares A-record (or Approval record) by following section 3.2c (or 3.3c).

Mortgage Payments to Servicers
1. On 1st[***] day of the month, go to HPC/KHC Staff/Batch Payment
2. Enter from date to be first of current month.
3. Enter To date: last day of the month.
4. Enter closing date to be day after decided cut-off date.
5. Select "non-catch ups".

6. Hit the magnify glass.
7. Print report.
8. Manager runs closing report for the month. The report will be used to double-check payments and to find needed A-records looking up loans on Master sheets.
9. Check all servicer approved status with comments on the records to ensure that loan did in fact close.
10. If the payment amounts differ, write the correct payment amount on the batch payment report.
11. Once finished, go to each record that needs revisions and correct amounts in the payment schedule by clicking the edit button.
12. Correct the amount. Click update.
13. Repeat steps 1 – 4.
14. Then, enter the current date for change payment dates to.
15. Enter ACH Effective Date for the 10th of the month or day prior if weekend or holiday.
16. Approve payments in HPC system by pushing "accept payments" button.
17. Servicer Liaison completes accounting form, secures supervisor signature, and takes it to senior account representative.
18. Senior account representative follows accounting procedures.
19. Liaison prepares A-record (or Approval record) by following section 3.2c (or 3.3c).
20. Prepare B-records (or payment detail).

Payments – Special Cases

1. If a borrower closes after the cut-off date of mortgage payments but before the 10th, HPC may automatically assign a mortgage payment for that month. For those cases, include the payment in the reinstatement if one is present. Then, adjust the first payment start date on the payment screen to the first day of the next month. Edit the ending date on the payment to allow another month of UBP. If a borrower is current, they are responsible for the month's payment.
2. If a borrower calls at closing to report they were current but can't make the current month's mortgage payment, add it in as a reinstatement and comment the system. If the servicer objected to the reinstatement, it will have to be sent as a U-payment.

Option I and II – B-records and Payment Detail

1. When payments are approved, b-records and payment details produce in P:HHF Servicer Payment Reports/Servicer Folder/ProtectKYHome Export.
2. Go to that folder and drag all files to the B-record folder. Then, open that folder to begin work.
3. Open record.
4. Put servicer name in servicer column.
5. Check file for accuracy and correct loan numbers. Format loan numbers to number unless Wells and Loan Care. They require zeroes before the loan numbers. (Correction of loan numbers may require the file to be saved in xls format.)
6. Save file.
7. Go back to ProtectKy Folder and rename the file with correct naming convention by right clicking on file and select rename.
8. Move file from ProtectKy folder to appropriate servicer b-record folder.
9. Send to servicer the day prior or on the day of the ACH effective date using file transmission requirements.
10. Tag secure for Option I and put in subject line "B-records".
11. For Option II, tag secure and put in subject line "UBP Payment Detail". Type body of email "This is a payment detail for the ACH arriving today (or tomorrow). Please post the

payments to the borrowers' accounts, place the posting date on the spreadsheet and return it to me."

Re-certifications
1. Account manager gives Servicer Liaison Manager a list of borrowers who did not complete the re-certification.
2. Stop payments.
3. Send certified termination letters to the borrowers with a time listed for a written request to informal review. Give 30 days.
4. If request is not received, termination stands.
5. If request is received in time, director reviews and makes a decision.
6. If director decides to continue assistance, then, reinstatement letter is generated and payments are started.
   a. Go to HPC/Payments.
   b. Click on correct mortgage payment amount.
   c. Enter correct end date.
7. If the decision is to uphold the termination, then, borrower is notified by phone and T-record process follows.

Payment Maturity
1. Generate 2-month maturity report around the last week of the month by going to HPC and select expiring report.
2. Enter dates for selection and hit the magnify glass.
3. Check borrower accounts for accuracy. Extend dates if needed.
4. Redo report. Select download to PDF.
5. Borrowers letters will generate.
6. Save ending letter folder, creating a folder for the month ending.
7. Print letters on letterhead and make copies of all of them.
8. Download expiring report to excel and save.
9. Do a mail merge in Word to create mailing labels and mail letters.
10. File letters by ending month.

Payments Ending for Increases in Income
1. Counselor sends re-evaluation to underwriting.
2. Underwriting checks re-evaluation and routes to servicer liaison manager if ineligible due to income increase.
3. Servicer Liaison prepares a re-employment letter with ending 2 months following the start date. (If start date is during month, the borrower receives two full months of assistance; however, if the start date is the first day of the month, then, the borrower receives that month and the month following for assistance. A 30-day grace period can be used for re-evaluations that are received after the end date. Any time past the 30-day grace period, borrowers will be responsible for reimbursing Kentucky Housing for the additional payments.
4. Manager stops payments based on appropriate date and comments the system. The letter is filed with the appropriate ending letters.
5. If borrower has a mortgage default, the default letter is sent. See Mortgage Default.

Added 7/21/16: Clarification on the 30-day grace period: The 30-day grace period is given to anyone who qualifies for it. It applies to employment-only. If the re-evaluation comes in with a re-employment date that was old enough to cause the borrower to pay back 1 month of payments after the two month of payments were applied, the borrower will receive a grace period. For example, Jon went to work in June 15. He would get the July and August payments made. However, his re-evaluation didn't come to the servicing team until September 10. He would get a 30-day grace period because the September payment had already been made. KHC staff will not worry about who was at fault for the delay-this option would be exercised for any borrower. Say that same borrower's re-evaluation comes on October 15. He would still get the September payment as a grace period, but he would have to pay back October if KHC cannot get it back from the servicer. To go a step further, if the re-evaluation comes on August 31st, payments would end and staff would apply the normal 2-month rule. The grace period was built in to help borrowers who, for whatever reason, didn't get the employment reported timely. There is no other reasoning behind who it's given to.

Payments Ending for Non-compliance

1. Servicers will notify KHC if any other issues cause non-compliance, such as bankruptcy or house sale through a W-record. Other issues of non-compliance discovered by the KHC staff, such as moving from property, bankruptcy, etc. will be handled in a similar way. Kentucky Housing legal department will send mortgage default letters upon request by Servicer Liaison staff.
2. Servicer Liaison Manager places comments in the HPC system, copies the counselor and stops payments by choosing "stop all" on the payments screen.
3. Manager requests copy of letter. Print letter for file.
4. File letter with correct ending month letter.
5. Borrowers can appeal decision. If they are reinstated, a reinstatement letter is generated and payments are turned back on.

Mortgage Default *updated 7/21/16*

1. In cases where borrowers should not have received assistance, received too much assistance, or are in mortgage default, money may be owed back to KHC.
2. Mortgage default letters are generated by HHF Servicing team.
3. Comments are noted in the system about these borrowers.
4. Mortgage default amount is defined on a case-by-case basis and determined by manager. For example, a borrower was not qualified for UBP, but we made payments on their behalf, will owe the total amount back.
5. Go to Deed Information screen.
6. Enter amount in default amount field.
7. Also add to comment screen.
8. Push save.

Repayment of Default Amount *added 7/21/2016*

When a borrower repays the default amount, staff should complete the following steps:
1. Add a comment to system that default amount of $_____ has been repaid.
2. On the Payments Screen, click "Add New Payment."
3. Enter the repayment as a credit (negative number on the screen); list date payment was received by staff; Click the box "Is Catchup Amount;" in Note, add "Repayment of default by borrower." Click Save.
4. On the Deed Information screen, remove default amount from that field. Hit Save.

T-records and Terminations

1. Last of the month, pull all letters that end that month.
2. Go to HPC/Payments/Expiring Report.
3. Enter first day of the month under start and last day of the month under end.
4. Click refresh.
5. Scroll to bottom and click generate T-records.
6. Go to P:drive/HHF Servicer Payment Reports/ProtectKYHome.
7. Separate letters by servicer so they are easier to match to files.
8. Pull up spreadsheet and enter servicer. (May have to look up first borrower to check correct servicer.)
9. Review this info on T-record.
   a. Record type
   b. Actual program end date
   c. Total funds paid
   d. Reason for termination – Default is 7; change to 9 if re-employment on CDF. On Option II, default is program complete, change to re-employment if needed.
10. Copy and paste t-records to correct master sheet.
11. Save file.
12. Rename file by right clicking and choose rename. Name using naming convention and date as last business day of the month.
13. Send T-records and termination records the last day of the month. See servicer file transfer.
14. On option 2, tag emails secure, enter "termination records". Type in body, "These borrowers are ending the UPB program this month."
15. Outcomes must be entered on borrowers. Go to HPC/Cases/Batch Complete. Enter each ID number and choose correct outcome.
    a. Program complete – Other – Borrower still in home
    b. Re-employment – Found employment.
    c. Mortgage default, non-compliance – UBP Cancelled
    d. Sold house – Sold house/finding alternative housing solutions.
16. Print imaging cover sheets by going to HPC/Payments/Expiring report.
17. Enter start and end dates.
18. Scroll to bottom.
19. Hit Download Imaging Cover sheets. Print.
20. Place appropriate sheet with appropriate letter. Paperclip and put in imaging add-on drawer.

Re-occurrances

1. Counselor completes re-evaluation form for 2nd occurrence.
2. Underwriter approves the eligibility and gives to servicer liaison manager.
3. Servicer liaison manager reviews the evaluation to assess the number of months left for assistance.
4. Staff prepares i-record. (May need to request a new TPA if more than 12-months old.)
5. Once the v-record is received, staff gives to servicer liaison manager to turn payments back on and assess the payment structure per borrower. Reinstatement information should not be entered, but all delinquent months should be paid. This may be an manual adjustment. V-record is worked by adding in a payment on the payment screen.
6. Reinstatement letters are sent and payments are added to the adjustment sheet as needed. A- and D-records must be manually produced.

2. To get the payments to work correctly, the start date on the payment screen may have to be altered to allow borrower to reach full capacity of UBP.

Servicer Transfers
1. When a W-record is received due to a servicer transfer, all payments are stopped by hitting the "stop all" button on the payment screen.
2. Liaison staff add comments to HPC regarding a new TPA (if needed) and new loan number. Comments are copied to counselor.
3. Counselor forwards new TPA and/or loan number.
4. Staff generate a new i-record and follow the process of either Option I or Option II.
5. When v-record is worked, enter new loan information on the loan screen and keep the old loan information.
6. Check the payment screen to make sure payments are generated. If they aren't, staff will need to work within the system to make sure payments are correct by altering starting dates on the payments screen or ending dates in the payment.
3. Borrowers are only entitled to the number of months or amount of money. No reinstatements can be made at this time.
4. Needed payments are added on the adjustment sheets.
5. Any A- and D-records will be prepared at reinstatement processing.
6. Paperwork is imaged after the A-record is sent.

Accounting

Servicer Return Payments
1. Accounting notifies HHF servicing team of a return payment.
2. Servicing team investigates return by looking at P-records and contacting the servicer if they are needed.
3. If payment should be re-initiated, Servicer Liaison does that by completing a Hardest Hit Fund transfer.
4. If payment should be credited back to borrower account, Servicing team notates the payment in the payment schedule and comments.
5. Servicer Liaison tracks return funds on payment record spreadsheet.

Penny Tests
6. Servicers may request penny tests to be conducted.
7. Servicer Liaison sends email to accounting staff requesting penny test.
8. Accounting follows their procedures for the penny test.
9. Accounting notifies Servicer Liaison of completion and effective date.
10. Servicer liaison notifies servicer to expect the ACH of a penny and sends wiring information to the servicer.
11. Servicer sends penny back to BNYM main account and notifies Servicer Liaison.
7. Servicer Liaison notifies accounting.
8. Accounting notifies Servicer Liaison when penny has arrived.
9. Servicer Liaison notifies the servicer of Penny Test completion.

Reporting

Servicers
1. Provide list or number of blues, hots, and enrolled servicers when requested.

2. Provide a percentage of borrowers with each servicer when requested.

Payment Data
1. Provide total amount of payments made each month for Treasury reporting.
2. Log all mortgage payments on mortgage tab and reinstatements on reinstatement tab.
3. Adjustments should be logged on adjustment tab.
4. Transfer totals to main tab.
5. Log total on main tab to add to past history.
6. Log the new total under Keli.
7. Open Payment Report on Explorer. Choose 1/1/2011 as start and last day of current month for ending. Hit view.
8. Go to last page. Pull amount to spreadsheet under HPC.
9. Reconcile outstanding issues if needed. Bottom line should always be zero.

Loan Releases

Pay-off Requests
1. Borrower and/or title company/closing attorney calls and requests pay-off.
2. Title company/closing attorney must provide a written authorization to release pay-off to them.
3. KHC quotes pay-off by going to deed screen.
4. Click calculate.
5. Click save.
6. Click UBP Pay-off statement button.
7. Save in P:HHF Servicer Payment Reports/Pay-offs by borrower's last name.
8. Print pay-off and put instruction letter on letterhead.
9. Send to appropriate party.
10. Borrower may need to negotiate pay-off amount UBP.
    b. If proceeds from sale are enough to cover the pay-off, then borrower should send KHC a certified check.
    c. If proceeds from sale are not enough, KHC will write-off the remaining balance of the loan, but borrower must provide closing documents on the sale to demonstrate that funds were not available and remit any profit made.
11. When, and if, KHC receives a check, that will trigger KHC to do a deed-of-release.

Calculating Pay-offs with Default Amount *added 7/21/2016*
As of now, staff cannot correctly calculate the pay-off in the HPC system when there is a default amount. The system double-counts the default amount in the payoff. Therefore, these pay-offs must be manually calculated and communicated.

Example #1: Borrower received $2000 but had started working before closing and didn't qualify. Servicer did not return the funds so borrower owes the entire $2000 as default, meaning nothing would be forgiven. The system as of now will calculate the total payoff as $4000. The payoff in this scenario should be the $2000 that was paid out and remains in default. No portion of that is subject to partial repayment.

Example #2: Borrower received $10,000 in assistance. They had returned to work but the re-evaluation was not completed before 5 additional payments had been made. KHC will honor the two payments beyond the start date and give a 1 time, 30-day grace period, meaning KHC

will honor the 3rd payment made as well. The client's default amount is the 4th and 5th payments, which combined total is $1,000. The borrower sells the house before the first anniversary of closing has passed so the entire amount paid out ($10,000) is the payoff amount. However, a note to the payoff letter must be added stating that the default amount is not subject to the approval of partial repayments. If the proceeds on sale do not cover the all payoffs, no matter what, the default amount must be recovered before the lien will be released.

Example #3, same scenario as #2 except 2 years have passed since the closing date, meaning 40% of the assistance received amount should be forgiven. Only the amount not in default is subject to the forgiveness period so staff would calculate the payoff as follows:

$10,000 paid minus $2,000 default amount = $8,000, of which 40% ($3,200) is forgiven. The entire payoff due is the remaining $2000 default + ($8,000-$3,200) or $2,000 + $4,800=$6,800. Again, the note is added to the payoff letter that of the $6,800, the only portion that could be considered for partial repayment assuming proceeds aren't enough to cover the full payoff, is the $4,800. The default amount of $2,000 MUST BE RECOVERED.

Short Sales and Deed-in-Lieu
1. All short sales and deeds-in-lieu are handled by the legal team.
2. Short sales will receive a Closing Disclosure for documentation and the deed-of-release process will be followed.
3. Deeds-in-lieu will receive a letter-of-intent and request a copy of the recorded deed-in-lieu.
4. Legal will provide a deed of release to the closing attorney/agent to be held in escrow pending the receipt of a Closing Disclosure for short sales or the execution of the deed-in-lieu by the borrower for in-lieu transactions.
5. UBP staff will conduct a follow-up if needed to receive confirmation the deed-in-lieu was recorded. (A copy of the recorded deed-in-lieu will be acceptable documentation.)
6. Please note: KHC may permit Cash for Keys or any sort of relocation bonus (through HAMP, for example) to be paid to the borrower. Such determination will be made by the managing director or assistant director of Single-Family Programs. *Added 8/16/19*

Deed-of-Release
1. When UBP loan receives a pay-off, ends in short sale or deed-in-lieu, or property is sold in a foreclosure sale, UBP staff should do a deed-of-release.
2. UBP staff will look up borrower in HPC system and generate a deed-of-release and a letter to the county clerk. KHC has 30 days to release the lien.
3. Go to borrower and deed information screen.
4. Click deed of release button.
5. Click "open." Deed will open in PDF.
6. Save to P:HHF Servicer Payment Reports/Pay-offs/Deeds-of-Releases by borrower name. (May double-check deed-of-release is correct in Knowledgelake.)
7. On deed screen, click clerk letter and open. That will display the appropriate cover letter for deed-of-release. Print it out.
8. Deed-of-release is signed by appropriate signatory authority, notarized and approved by legal.
9. Account manager prepares check request for accounting. (Short Sales and deed-in-lieu may require the recording fee to be paid by eligible servicer; however, legal prepares those.)
10. Servicer liaison manager makes a copy of all paperwork and takes originals to accounting for a check and mailing.
11. Comments are placed in HPC.
12. Date of release is entered on the deed screen under release and forgiven fields.

13. KHC's copy of deed-of-release is sent to imaging in Knowledgelake.
14. Releases prepared prior to completion of program are taken to the system administrator for completion and then, placed in the imaging box.
15. To release liens in a group, click deed-of-release on the payments selection in HPC.
16. Select the appropriate dates.
17. Click download deed-of-release. Click open.
18. Print.
19. Save to P:HHF Servicer Payments/Pay-offs/Deed of Releases/Month folder. (May need to create the month folder.)
20. On Deed-of-Release screen, click download county clerk letter and print on letterhead.
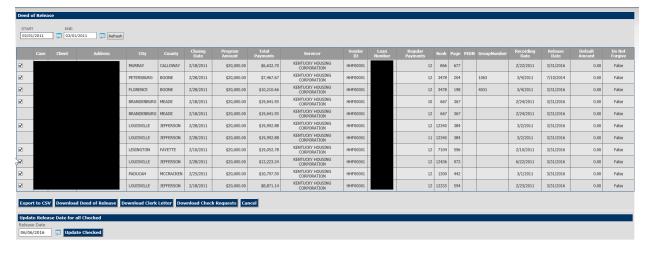21. Follow process 8 – 14.

Note: Check Kenton, Campbell, and Boone counties. PIDN and Group No. will need to be secured for the first 3 – 4 years since the programming didn't exist for these at that time.

Mass Deeds of Release *(added 5/20/2016)*
UBP mortgages are forgiven over 5 years. Beginning in 2016, the very first closed UBP loans from 2011 will begin to roll-off in mass deeds of release.

Preparing mass deeds of release:
1. Mass deeds-of-releases can be generated by going to using the payments/deed of release report. Choose closing month to be released. (For example, first month will be 2/01/2011 and end 2/28/2011.)
2. Unclick any case that shows the release date has already been entered (from prior payoff).
   a. Be sure to check the "Default Amount" and "Do Not Forgive" columns. Any marked as owing funds still cannot be released.
3. Click "Download Deed of Release." Print.
   a. Save a copy as: Pdrive/HHF Servicer Payment Reports/Pay-offs/Deeds of Release/5-year forgivenDoR/ then by month. For example: April_2011 DoR.
   b. The managing director of Single-Family Programs must sign (wet signature) each document. Then, send them to Legal with a work order to have them notarized.
4. Click "Download Clerk Letter." Print.
   a. Print on KHC letterhead.
5. Click "Download Check Requests." Print.
   a. To be signed by either the assistant director or financial analyst.
6. Submit to Single-Family mortgage loan production specialist to enter into GreatPlains to generate a ticket for each. Accounting will print check and mail each county's packet.
7. Boone, Kenton, and Campbell Counties, also print the legal description from Knowledgelake to send with deed of release.
8. Complete the "Update Release Date for all Checked" field and click on Update Checked.
9. When all releases have been signed and notarized and all check requests have been processed, prepare everything for Accounting. Combine the clerk letter, check requests and the release(s) for that county.
   a. In an envelope for the County Clerk: Clerk Letter and all deeds of release for that county. Should fit in an window envelope but larger counties may require a manilla envelope (letter size) with a created mailing envelope.
   b. For Accounting: The GreatPlains ticket, copy of clerk letter, copy of the Deeds of Release for that county, and the check request. Paper clip the prepared envelope with originals to Accounting's copy for each county. Accounting will create the check, add to each county envelope, and put in mail.

Deed of Release

START 02/01/2011   END 03/01/2011   Refresh

	Case	Client	Address	City	County	Closing Date	Program Amount	Total Payments	Servicer	Vendor ID	Loan Number	Regular Payments	Book	Page	PIDN	GroupNumber	Recording Date	Release Date	Default Amount	Do Not Forgive
☑				MURRAY	CALLOWAY	2/18/2011	$20,000.00	$6,632.70	KENTUCKY HOUSING CORPORATION	HHF00001		12	866	677			2/22/2011	3/31/2016	0.00	False
☑				PETERSBURG	BOONE	2/28/2011	$20,000.00	$7,467.67	KENTUCKY HOUSING CORPORATION	HHF00001		12	3478	204		1063	3/4/2011	7/10/2014	0.00	False
☑				FLORENCE	BOONE	2/28/2011	$20,000.00	$10,210.66	KENTUCKY HOUSING CORPORATION	HHF00001		12	3478	198		4031	3/4/2011	3/31/2016	0.00	False
☑				BRANDENBURG	MEADE	2/18/2011	$20,000.00	$19,641.95	KENTUCKY HOUSING CORPORATION	HHF00001		10	667	367			2/24/2011	3/31/2016	0.00	False
				BRANDENBURG	MEADE	2/18/2011	$20,000.00	$19,641.95	KENTUCKY HOUSING CORPORATION	HHF00001		12	667	367			2/24/2011	3/31/2016	0.00	False
☑				LOUISVILLE	JEFFERSON	2/28/2011	$20,000.00	$19,992.88	KENTUCKY HOUSING CORPORATION	HHF00001		12	12340	384			3/2/2011	3/31/2016	0.00	False
				LOUISVILLE	JEFFERSON	2/28/2011	$20,000.00	$19,992.88	KENTUCKY HOUSING CORPORATION	HHF00001		11	12340	384			3/2/2011	3/31/2016	0.00	False
☑				LEXINGTON	FAYETTE	2/10/2011	$20,000.00	$19,052.78	KENTUCKY HOUSING CORPORATION	HHF00001		12	7104	596			2/10/2011	3/31/2016	0.00	False
☑				LOUISVILLE	JEFFERSON	2/28/2011	$20,000.00	$13,223.24	KENTUCKY HOUSING CORPORATION	HHF00001		12	12436	973			6/22/2011	3/31/2016	0.00	False
☑				PADUCAH	MCCRACKEN	2/25/2011	$20,000.00	$10,797.50	KENTUCKY HOUSING CORPORATION	HHF00001		12	1300	442			3/1/2011	3/31/2016	0.00	False
☑				LOUISVILLE	JEFFERSON	2/18/2011	$20,000.00	$8,871.14	KENTUCKY HOUSING CORPORATION	HHF00001		12	12333	594			2/23/2011	3/31/2016	0.00	False

Export to CSV | Download Deed of Release | Download Clerk Letter | Download Check Requests | Cancel

Update Release Date for all Checked
Release Date 06/06/2016   Update Checked

Saving Mass Deed of Release Report
1. Click "Export to CSV." Save in Pdrive/HHF Servicer Payment Reports/Pay-offs/Deeds of Release/5-year forgivenDoR/ then by month. Example: April 2011_DeedofReleaseReport.
2. Also save to the Master Report 5-year forgiven in the 5-year Forgiven DoR folder.

Report to Accounting *(updated 1/3/18)*
1. On the first business day of each month, pull the previous month's Deeds of Release report.
2. Export to CSV.
3. On the CSV report pulled, delete any cases that show do not forgive/default amounts. Then delete all columns except Total Payments, Servicer, Vendor ID, Loan Number.
4. Sort data by servicer, then loan number.
5. Total amount Total Payments column by servicer and add to a 4th Column, titled Total Forgiven.
6. Save to Pdrive/HHF Servcier Payment Reports/Pay-offs/Deeds of Release/5-yearforgivenDoR/then month. Name as "November 2012 Forgiven Report for Accounting."
7. Send this excel to assistant controller and financial analyst.

Refinances
1. All refinance inquiries are referred to legal for subordination.
2. Legal will check with servicer liaison manager to make sure a subordination is okay.
3. Borrower still active in UBP are not eligible for a refinance.

Foreclosures
4. Legal notifies servicer liaison manager of foreclosures.
5. Manager notates foreclosure on foreclosure/pay-off spreadsheet.
6. Lists foreclosure in comments on borrower record.
7. Calculates pay-off for contracted attorney.

Miscellaneous
1. Temporary employment does not count for new income.
2. Job losses during the program will need documentation of the circumstances involved and will be reviewed on a case-by-case basis.
3. UBP will not pay on second mortgages only. However, in the case where a first mortgage is paid off and the second mortgage has taken first position, KHC will proceed with UBP.

Taxes

1098 MAs

1. Choose Tax report from SSRS.
2. Use draft letter and tweak for current year information.
3. Save tax report to Excel.
4. Do mail merge of tax report and excel.
5. Probably can only do 1,000 at a time for Word to save.
6. Check with copy center to coordinate mailing.
7. Do copy center request.
8. Send files to copy center.

Note: This must be mailed by January 31st each year.

1098 MAs IRS Report

1. Choose IRS report from SSRS.
2. Check for accuracy.
3. Print report and mail to IRS address in guidance.

Note: This must be done by February 28th each year