

Lenders Compliance Group

Tuesday, October 9, 2012

HUD's HECM HERMIT

The new HECM HERMIT system is on schedule to launch today, October 9, 2012. The Home Equity Conversion Mortgage (HECM) now has a fully enabled web-based system, called Home Equity Reverse Mortgage Information Technology, or HERMIT.

Until now, HUD has managed the HECM portfolio by collecting Mortgage Insurance Premiums (MIP) through its Insurance Accounting Collection System (IACS); servicing HECM loans assigned to HUD through its Single Family Mortgage Asset Recovery Technology (SMART) system; processing and tracking HECM insured servicing requests through SMART and Extensions and Variances Automated Requests System (EVARS); and, manually processing Mortgagee's insurance claims.

The new HERMIT system is now meant to provide one common HECM platform to consolidate legacy systems.

The new platform, HERMIT, will be used also to monitor and track HUD's HECM loan portfolio in real-time and automate the payment of insurance claims while increasing efficiency and mitigating risks to its Insurance Funds.

Detailed information is provided in Mortgagee Letter 2012-17, issued on September 11, 2012.

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HERMIT System

The IACS will be phased out IACS and HERMIT will replace it as the system of record for:

1. Collecting MIP;
2. Managing all servicing activities; and
3. Paying insurance claims.

Additionally, through HERMIT mortgagees will be able to:

1. Interact with an integrated HUD HECM system;
2. Interact with HUD's National Servicing Center (NSC) through a new, automated workflow process; and
3. Replace manual claims filing processes with an online, automated claims filing procedure.

Other features include the mortgagees ability to access HERMIT to notify HUD of the:

1. Borrower's date of death; and
2. Initiation of foreclosure.

HERMIT Material

Mortgagees may access and download the following documents [HUD's webpage, FHA Reverse Mortgage for Lenders \(HECM\)](#).

- * HERMIT User Guide
- * Business to Government (B2G)
- * Guide Instructions on HERMIT registration process, including User Access forms
- * Phone number(s) and other contact information for the HERMIT Help Desk

HUD also provides a webpage devoted to the [HERMIT System & Resources](#).

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