

MCM UpDate is published by Michaelson, Connor & Boul to provide news, information, and tips on how Mortgagees and Servicers can avoid the issues that cause delays in processing property conveyance to HUD. Our communication goal is to help Mortgagees and Servicers improve the way requests are submitted, not only increasing the opportunity for approvals, but receiving the decision more quickly.

For past issues of *MCM UpDate*, go to MCB's website: <http://www.mcbreo.com/mortgagees.htm>
For suggestions on topics to be published in *MCM UpDate*, send them to: mcm-info@mcbreo.com.

More Helpful Tips in Submitting Your Pre-Conveyance Requests

Over Allowable (OA) Requests

- **Debris Removal.** As a general rule, one exterior and one interior debris bid each should be submitted. Removing outbuildings, appliances, and carpeting are examples of items that should be submitted separately. Always include justification such as "health hazard" or "inoperable" with this type of request.

As mentioned in the August *MCM UpDate*, debris that is a health hazard is still debris, and should be bid as part of the total cubic yards. Debris removal bids with multiple separate line items will be denied or adjusted accordingly.

- **Duplicate Requests.** We continue to receive duplicate bids and OA requests. Please check previous OA submissions prior to submitting a new OA in P260; if a duplicate must be submitted, be sure to include an explanation.
- **Roof Bids.** Please submit bids to **repair**, as opposed to **replace** a roof whenever possible, or note why a repair is not appropriate. Always include the following documentation when submitting roof replacement bids:
 - photos from First Time Vacancy (FTV) and current photos to compare damages, date roof was tarped, date leak was discovered. If there is an active leak, explain as to what caused the damage,
 - itemized roof bid,
 - claim documentation if applicable; if not, explain why a claim was not filed,
 - inspections and updates from date of default,
 - any other supporting documentation.

The itemized estimate is critical. If this is not included, we will consider as incomplete or missing information, and the cost requested may be significantly reduced.

More Helpful Tips...Over Allowable (OA) Requests *(continued)*

- **Winterization.** Begin submitting your OA requests to perform winterization service now. These will be processed in advance of the October 1 requirement. Photos will not be required, but please include a copy of the bid stating what type of winterization and explain why it can not be completed for the allowable.
- **Use P260 Notes.** Please utilize the notes section in P260 and try to avoid filling the description section on each line item or creating a new/empty line item for notes.
- **Date Accuracy.** Be sure your dates are accurate and consistent. (FTV, DEED DATE, SALE DATE, EXPECTED CONVEY DATE) Changes to these dates without explanation may lead to a denial of the OA and/or line items.
- **Documentation.** Please ensure photos/bids are attached to an OA. OA requests without any supporting documentation will be denied.

More Helpful Tips...Surchargeable Damage Requests




- **Demolition Requests.** We need the following information to consider demolition of a main structure: BPO (land value, as is value, repaired value), current photos vs. FTV photos (to compare damages), any city documentation pertaining to the case, repair bid, demo bid, unpaid principle balance, date of default, explanation/cause of damages, chronology, and any other documentation to support your request.
- **Demolition of Secondary Structures.** These type of requests need to be submitted as an OA. We have seen a large increase of dilapidated secondary structure demo's being submitted as a surcharge. These are preservation issues and are not surchargeable.

More Helpful Tips...Extensions of Time Requests

- **Date Range.** Please provide the date range you are requesting.
For example: 9/19/2010 through 10/19/2010.
If you do not provide a date range, it could be cause for a denial, especially if Date to Convey (DTC) can not be determined properly from the dates listed in your request (FTV, DEED DATE, SALE DATE).
- **Documentation.** Please provide documentation to support your extension requests. We are seeing a trend of Mortgagees submitting requests without supporting documentation. Lack of documentation to justify your request for extension of time to convey will result in a denial.
- **Redemption Period.** Please advise if redemption period is being waived by mortgagor or dismissed/expired per the local court.

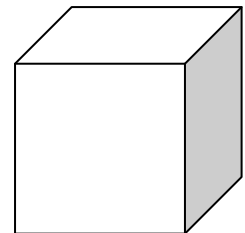
Worth Repeating: From the August Issue of MCM UpDate:

- It is important that the P&P cost to date field is filled out properly. Please do not lump all expenses under the “other” category. This category should be used minimally.

Expended Cost to Date	
(2 Record(s) found)   	
Category	Cost to Date
Winterization	90.00
Yard Maintenance	80.00
Grand Total	170.00

- If the maximum property allowable hasn't been met, and all line items on new OA submission do not exceed property max allowable, then an OA is not necessary. Unnecessary requests will be denied.

Debris by the Cubic Yard
What Does It Look Like?



When submitting an OA request for debris, the photos need to represent the number of cubic yards in the request as closely as possible. MCB has seen some instances when the number of cubic yards is grossly under or overstated, when compared to the accompanying photos.

Here are some visual cues to help represent proportions:



1/3 of a cubic yard



3 cubic yards



6 cubic yards



10 cubic yards



12 cubic yards



10 Yard



20 Yard



30 Yard



40 Yard

Photo Sources: <http://www.budgetdumpster.com/budget-dumpster-sizes.html>
<http://www.alliedwaste.ie/page.asp?cid=1052>
http://bayheadproducts.com/yard_sale.htm
<http://recycling.stanford.edu/contractors/dumpsters-sizes.html>
<http://www.abledisposal.net/Dumpsters.htm>

Extensions of Time – Title vs. Convey Be Sure To Check the Right Box

As mentioned in earlier issues of *MCM UpDate*, it is important to check the correct box for your Extension of Time requests. The most common error we see is due to confusion between the request for time to **convey** and the request for time for **title**.

Type of Extension Request	
<input type="checkbox"/>	1. Extension of time to initiate foreclosure
<input type="checkbox"/>	2. Extension of time to initiate foreclosure on HECM mortgages
<input checked="" type="checkbox"/>	3. Unable to convey within 30 days after acquiring title and possession
	Date of Foreclosed Deed
	Date Deed Recorded
	Date of Vacancy
<input type="checkbox"/>	4. Unable to submit title evidence within 45 days after conveyance filed for record
<input type="checkbox"/>	5. Extension to submit fiscal data
<input type="checkbox"/>	6. Extension to submit supplemental claim

Check #3 for Time to Convey

Check #4 for Title

Reminder to Submit Part D Claim Documentation

MCB is requiring documentation to support **taxes and forced placed insurance** for Part D claimed expenses as part of compliance with ML 10-18. Be sure the documentation indicates the period of time for the expense. This documentation should be uploaded to P260 under Category “Form 27011B” and Subcategory “Part B,C,D,E”. Be sure to clearly identify the type of document in the attachment description.

Occupied Conveyance

Notice of Pending Acquisitions. MCB continues to receive these notifications via hard copy and e-mails. Mortgagees and/or their attorneys and servicers must upload these notices to P260 as follows:

P260 Category: Pre-conveyance
P260 Sub-category: Occupancy Letter
Description: Notice of Pending Acquisition

MCB Notification to Mortgagee. HUD Handbook 4310.5-2 requires the MCM to notify the foreclosure agent upon receipt of an occupant’s request to remain at the property, in order to delay foreclosure proceedings until a decision is made. MCB will notify Mortgagees of 1) the initial request, and 2) the final decision through a P260 e-mail.

Please provide us with the e-mail address for the appropriate contact at your organization who should receive these notifications. Please send your e-mail contact information to mcm-info@mcbreo.com.

Who's Who In M&M III?

As Mortgage Compliance Manager, MCB began operating under HUD's new business model of Management and Marketing third generation, known as M&M III. The transition from M&M II to M&M III continues with the arrival of Field Service Managers and Asset Managers.

To understand the entire M&M III process, the role each contractor will play under M&M III, and to find the HUD contractor assigned to a specific property, please visit HUD's website:

<http://www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm>

P260 Scheduled Down

As of the time of this newsletter distribution, P260 is scheduled to be down for maintenance Friday, September 24 at 6:00pm PT/7:00pm MT/8:00pm CT/9:00pm ET and will not be available until Monday, September 27 at 3:00am PT/ 4:00am MT/5:00am CT/ 6:00am ET.

Appealing a Letter of Demand

The July issue of *MCM UpDate* covered a few steps that Mortgagees can take to help improve chances for a successful appeal. Items such as including proof of dates and a clear and specific description as to the reason for the appeal will provide us good information to make a decision.

Do not short-pay a demand for payment. Some Mortgagees are short-paying the amount that has been demanded, and notifying the MCM via the appeals e-mail box. This is not the appeal process! Checks that are submitted that do not match the demanded amount, and/or are not accompanied by an MCM issued rescission letter will be returned to the Mortgagee.

To appeal any part, or all of a demand for payment, send an e-mail to mcm-appeals@mcbreo.com with the case number in the subject line. And, of course, upload supporting documentation to P260.

Funny "OA" of the Day. An alligator wanders into this vacant house. Seems like a nice place, so he decides to stay a while and take a break from the swamp. He dined on whatever occasional small wild animal that unfortunately chose to pass through and compete for his new space. Before Mr. Alligator moved on, he made a mess all over the floor of this nice house. But, he didn't care! He knew the Mortgagee would have to get the property in broom-swept condition before it could be conveyed!

Can you take a guess...at the OA request to clean up this mess? \$25 \$50 \$100 \$500 \$1,000

The second question is...what was MCB's response?

(Answers on last page)

Resources

MCB Points of Contact	http://www.mcbreo.com/mortgagees.htm
MCM UpDate Issues	http://www.mcbreo.com/mortgagees.htm
MCB Customer Service	mcm-info@mcbreo.com
Reconsideration/Rescission Requests: Demands/Reconveyances	mcm-appeals@mcbreo.com
Voluntary Reconveyances	mcm-volreconvey@mcbreo.com
Inquiries for Deed Recording	mcm-deeds1@mcbreo.com
Notification of Violations	mcm-violations@mcbreo.com
HUD Web Page on MCM	http://www.hud.gov/offices/hsg/sfh/nsc/mcm.cfm
HUD FAQ's for P260 Internet Portal	http://www.hud.gov/offices/hsg/sfh/nsc/mcmfaqsII2010.pdf
Yardi Help Desk for P260	hudhelp@yardi.com

Emergency Pre-Conveyance Requests

Susan Sipe	(405) 595-2024	susan.sipe@mcbreo.com
Justin Park	(405) 585-2023	justin.park@mcbreo.com
Ryan McDoulett	(405) 595-2025	ryan.mcdoulett@mcbreo.com
Dustin Harjo	(405) 595-2038	dustin.harjo@mcbreo.com
Patricia Raysor	(405) 595-2046	patricia.raysor@mcbreo.com

OA Answers: The OA request to clean up after Mr. Alligator was for \$500.
MCB's response was to approve 2 hours labor/cleaning technician; maximum per government cost estimator = \$141.07.