



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING –  
FEDERAL HOUSING COMMISSIONER

June 22, 2016

MORTGAGEE LETTER 2016-09

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**To** All FHA-Approved Mortgagees  
Single Family Holder and Servicer Managers

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**Subject** Delivery of Advice of Payment and Title Approval

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**Purpose** This Mortgagee Letter (ML) announces changes to the delivery methods by which HUD will provide Mortgagees with Advice of Payment and Title Approval.

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**Effective Date** This ML is effective seven (7) calendar days after its publication date.

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**Affected Policy** This ML supersedes Mortgagee Letter 2004-26, where it conflicts.

This ML also supersedes certain provisions (described below) of the Claims and Disposition section (effective September 30, 2016) of HUD's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1). The changes set forth in this ML will be incorporated into said Handbook in a forthcoming update.

- IV.A.1.vii.(B).(6) of Handbook 4000.1 (effective September 30, 2016) will be deleted. As a result, the subsequent *Mortgagee Contact Information* section, previously paragraph (7), will be re-labeled as IV.A.1.vii.(B).(6).
  - IV.A.2.a.iv.(B) of Handbook 4000.1 (effective September 30, 2016) will be updated to reflect the date by which Mortgagees must submit Parts B, C, D, and E of the Claim for Insurance Benefit, dependent on whether a claim was submitted electronically or manually.
  - IV.A.3.e of Handbook 4000.1 (effective September 30, 2016) will be updated to address the delivery methods by which HUD will provide Mortgagees with Advice of Payment and Title Approval.
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**Advice of Payment and Title Approval** When a claim is processed in the HUD Claims system, HUD will provide an Advice of Payment and a Title Approval (where applicable) via FHA Connection (FHAC) only. Mortgagees may locate both the Advice of Payment and Title Approval under the Single Family Insurance Claims

Processing menu in the Single Family FHA/Single Family Servicing section of FHAC. The Advice of Payment is available by accessing the “Claim Status” function, while the Title Approval is available by accessing the “Title Approval Status” function. HUD will no longer provide hard copy letters for these claims.

When a claim (e.g., Hawaiian Home Lands, Indian Lands, Re-conveyance) is being processed outside of the HUD Claims system, HUD will continue to provide hard copies of the Advice of Payment and Title Approval (where applicable) letters to the Mortgagee by mail.

The requirement that the Mortgagee maintain the Advice of Payment and Title Approval details in the Mortgagee’s Claim Review File remains unchanged.

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**HUD Single  
Family Housing  
Policy  
Handbook  
4000.1**

**Mortgagee Contact Information (IV.A.1.vii.(B).(6))**

The Mortgagee must include a staff member’s contact name and phone number in all claims submitted via FHAC. Alternatively, the Mortgagee may enter the name of a department or functional area that can be contacted regarding FHAC submissions.

**Submission of Parts B, C, D, and E (IV.A.2.a.iv.(B))**

**(1) To HUD**

The Mortgagee must submit Part B to HUD headquarters via EDI, FHAC, or paper claim. When submitting via paper claim, the Mortgagee must also submit Parts C, D, and E.

The Mortgagee must submit Part B within the later of:

- 45 Days after the deed was filed for record or mailed to the recording authority; or
- 15 Days after the Title Approval Date in FHAC, if the claim was filed electronically (or 15 Days after the Title Approval Letter Date if the claim was filed manually).

The Mortgagee must retain Parts C, D, and E in the Claim Review File.

**(2) To P260**

The Mortgagee must upload into P260:

- Parts B, C, D, and E; and
- required supporting documentation of amounts claimed.

The Mortgagee must upload into P260 Parts B, C, D, and E within the later of:

- 45 Days after the deed was filed for record or mailed to the recording authority; or
- 15 Days after the Title Approval Date in FHAC, if the claim was filed electronically (or 15 Days after the Title Approval Letter Date if the claim was filed manually).

**Advice of Payment and Title Approval (IV.A.3.e)**

When a claim is processed in the HUD Claims system, HUD will provide the Advice of Payment and Title Approval (where applicable) via FHAC. Mortgagees may locate both the Advice of Payment and Title Approval under the Single Family Insurance Claims Processing menu in the Single Family FHA/Single Family Servicing section of FHAC. Advice of Payment is available by accessing the “Claim Status” function, while Title Approval is available by accessing the “Title Approval Status” function.

When a claim is being processed outside of the HUD Claims system, HUD will provide hard copies of the Advice of Payment and Title Approval (where applicable) letters to the Mortgagee by mail.

Mortgagees should be advised that if claims have been grouped together into one Electronic Funds Transfer (EFT) payment, HUD will provide Mortgagees with a separate Advice of Payment for each individual payment in each payment batch via FHAC if claims are filed electronically or via hard copy if claims are filed manually.

**Information Collection Requirements**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Numbers 2502-0429, 2502-0005, 2502-0059, and 2502-0527. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

**Questions**

If you have any questions regarding this Mortgagee Letter, please contact the Single Family Claims Branch at [FHA\\_SFClaims@hud.gov](mailto:FHA_SFClaims@hud.gov). Include your Lender ID, FHA case number (if applicable), and a keyword phrase (e.g., Advice of Payment or AOP) in the email subject line.

**Signature**

Edward L. Golding  
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