

Neighborhood Watch

Neighborhood Watch allows all FHA-approved lenders to identify and analyze the patterns (by geographic area, originating lender, or loan characteristics) of cases that became delinquent within the first two years of loan origination. Patterns may be identified by a specific area (e.g., by city, MSA, state, or HOC) or across the nation. Additionally, various lender data may be researched and accessed. Case details are available only for lenders who originate, sponsor, and/or service the loans. **Neighborhood Watch** is designed to highlight exceptions so that potential problems are readily identifiable.

Available Information

The following information can be accessed by authorized lender personnel within the **Neighborhood Watch** function:

Early Warnings enables you to generate report listings for cases that are 30 days or more delinquent as of the last reporting cycle updated in **Neighborhood Watch**, as well as for cases with defaults within the first and second years. This assists you in detecting problems and/or unusual activities. You may request the period in which the report information is provided, enter geographic comparison specifications, and sort the information by various options that reveal areas or programs with the most volume or greatest problem area(s). An **Early Warnings** report may be requested by:

- **All Lenders/Area** (request reports for *Originator by Institution or Branch, Brokers/Sponsors, Direct Endorsement Lenders, Principals/Agents, or Areas*)
- **Single Lender** (access lender information by entering the first few letters of the lender's name or by entering the five-digit lender ID)
- **All Appraisers/Area** (request reports for *Originator by Institution or Branch, Brokers/Sponsors, Direct Endorsement Lenders, Principals/Agents, or Areas*)
- **Single Appraiser** (access appraiser information by entering the first few letters of the appraiser's last name or the six character *Appraiser ID*)

Servicing enables you to generate reports summarizing servicer or originator FHA-insured loan portfolios, as well as reports that highlight lenders' HUD/FHA loss mitigation and claims activity. You may:

- Request reports for *All Servicers* or a *Single Servicer*
- Select report type options that include: *Portfolio Summary, Loss Mitigation - Current Defaults Reported, or Loss Mitigation – Incentive Claims Paid*
- Request lender comparison ratio information and compare the foreclosure claim rate to the foreclosure claim rate of a selected area
- Request reports via the default report queries that provide delinquent loan counts and loan details by report day/month for the servicing lender that reported to the Single Family Default Monitoring System (SFDMS). Reports may be requested by servicer ID or FHA case number.

Analysis enables you to generate reports to assist you in quickly spotting large discrepancies and monitor lender activities. Reports may be requested by:

- **Default/Claim Comparison** (provides comparisons of two lenders and/or geographic areas within the US)
- **HECM Activity** (enables you to view HECM activity during the past three years for a specific area, single lender, or all lenders)

Details enables you to quickly access various Neighborhood Watch-related summarized information that is provided in an easy-to-read report format. The two types of **Details** reports currently available are:

- **Lender Details** (access lender information (e.g., lender type, branch office information) by entering the first few letters of the lender's name or by entering the five-digit lender ID)
- **Program Profiles** (select either *Show ADP Codes in Program* or *Programs associated with ADP Code* to view program information)

Queries enables you to access case level details on loans originated, sponsored, or serviced by your lending institution. The available queries include:

- **Case Status** provides details on the user-specified FHA case number. The information is extracted monthly from HUD's Single Family Data Warehouse and includes details for the following categories:
 - Borrower/Property/Loan Identification
 - Originator/Sponsor Information
 - Loan Origination Information
 - Underwriter's Ratings – Post Endorsement Reviews
 - Loan Status
 - Default Information Reported by the Servicer
 - Claim Information
- **Default Cases** lists delinquent loan case details and counts for lenders that report to the Single Family Default Monitoring System (SFDMS) within the first three years of the life of the loan.
- **HUD Pipeline/Uninsured** lists uninsured FHA loans for which HUD has received the upfront mortgage insurance premium (UFMIP) payment.
- **Indemnification** lists FHA-insured cases for which the lender and HUD have entered into an indemnification agreement in an attempt to reduce the possibility of a claim.
- **Late UFMIP** (upfront mortgage insurance premium) lists cases for which HUD received a late UFMIP payment, i.e., 10 or more days after the mortgage loan closing date. Information includes but is not limited to Closing Date, UFMIP Payment Date, late and interest information, number of days between closing and UFMIP payment receipt, and between closing and closing package receipt.
- **Late Endorsement** lists cases for which HUD received the endorsement package more than 60 days after the closing date.
- **Title 1 Case Status** provides details on the user-specified FHA Title 1 case number.

Lender Reporting enables you to save and/or view previously saved detailed case report information. You may save/view information for a single case or for multiple cases in your FHA portfolio.

Accessing Neighborhood Watch

Access to, and content presented on, **Neighborhood Watch** pages is based on your FHA Connection authorization. See the **FHA Connection Guide** modules provided in **Getting Started** for additional information regarding accessing the FHA Connection.

1. After sign on to the FHA Connection, select **Single Family FHA** from the menu.
2. On the **Single Family FHA Business Areas** menu, select **Neighborhood Watch**. The **Neighborhood Watch** page appears (**Figure 1**).

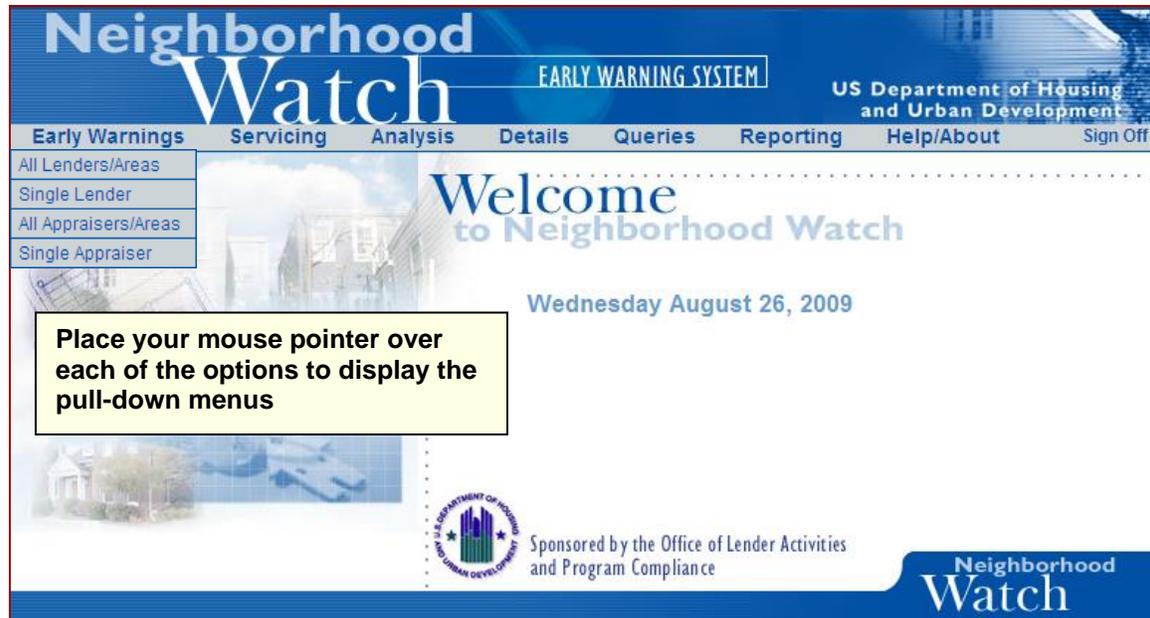


Figure 1: Neighborhood Watch page with Early Warning drop-down menu displayed

Note: You may also access **Neighborhood Watch** directly, without accessing the FHA Connection, by entering: <https://entp.hud.gov/sfnw/nw/>. However, you are still prompted to enter your FHA Connection user ID and password before going directly to **Neighborhood Watch**.

- To return to the FHA Connection, place your mouse pointer over the **Help/About** option and then select **FHA Connection** from the pull-down menu (Figure 2). The **Single Family FHA Business Areas** menu is displayed.

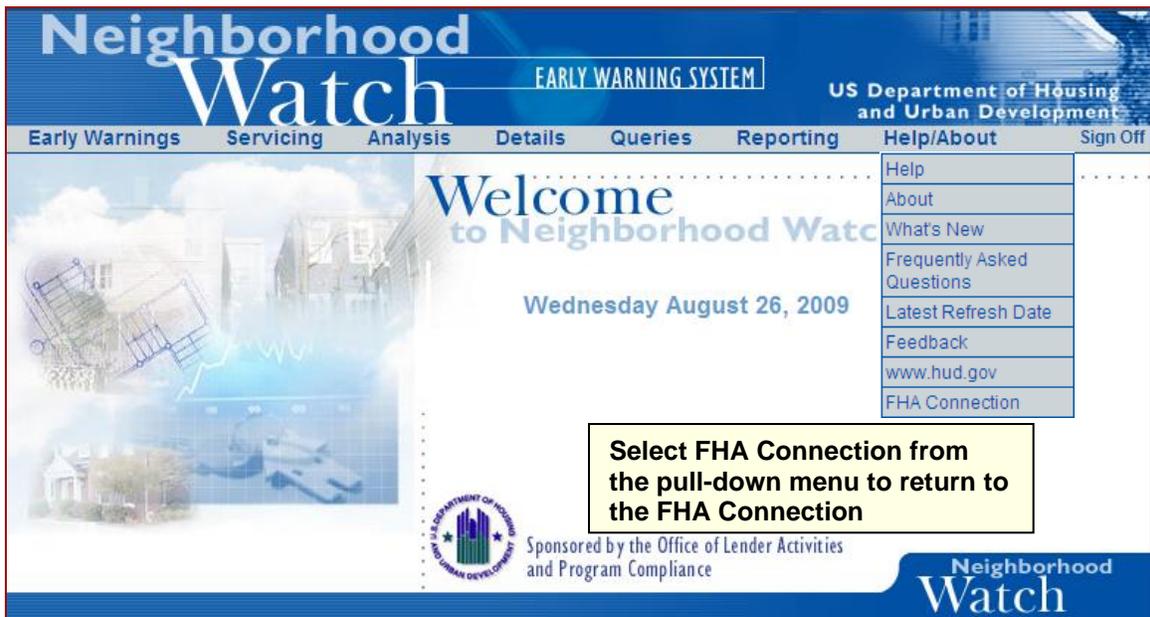


Figure 2: Neighborhood Watch page with FHA Connection menu option

Requesting Neighborhood Watch Information

The process of requesting a **Neighborhood Watch** report for **Early Warning**, **Analysis**, and **Details** is similar. When requesting a report, you may choose the appropriate options to tailor the information to your specific needs. You are prompted to enter or select information based upon the desired report.

The instructions and sample pages below use an **Early Warnings** *Current Defaults – By Institution* example to illustrate how to use the **Neighborhood Watch** functions.

1. After signing on to the FHA Connection, go to **Neighborhood Watch** as described in **Accessing Neighborhood Watch**.
2. Select **Early Warnings** on the Neighborhood Watch Early Warning System page (**Figure 3**).

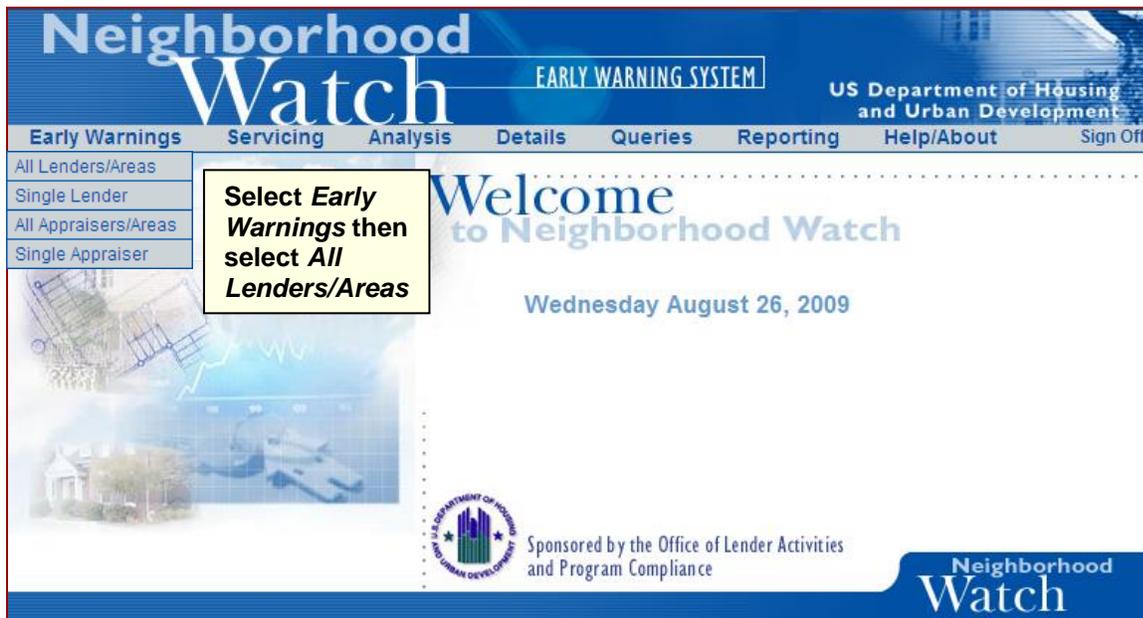


Figure 3: Neighborhood Watch page with Early Warnings pull-down menu options

3. Select *All Lenders/Areas* from the Early Warnings menu (**Figure 3**). The Early Warnings – All Lenders/Areas (initial) page appears (**Figure 4**).
4. Ensure that the *Originator by Institution* (default) option is highlighted in the **Mortgagee/Area Selections** list box (**Figure 4**).
5. Click the **State** radio button to specify a focus area (*United States, HUD Office, State, MSA, HOC*) (**Figure 4**). Only one focus area is allowed per request. Select *Hawaii* from the **State** drop-down list, and click . The Early Warnings – All Lenders/Areas (focus) page appears.

EARLY WARNINGS -- ALL LENDERS/AREAS

Mortgagee/Area Selections:
 Originator by Institution
 Originator by Branch
 Brokers/Sponsors
 Direct Endorsement Lenders
 Principals/Agents
 Areas

Submit

Type Of Loan Portfolio: Traditional FHA Hope for Homeowners

United States
 HUD Office:
 State:

County:
 City:
 Zip Code & City:

MSA:
 HOC:

Click after you have selected all desired options

To focus on a specific area, select the state

Figure 4: Neighborhood Watch page with Early Warnings pull-down menu options

6. On the Early Warnings – All Lenders/Areas (focus) page, ensure that the *Current Defaults* (default) option is highlighted in the **Default Choices** list box.
7. Click . The Originating Lenders in Hawaii report appears. (See **Figure 5**.)

Updated: 09/2009

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All Lenders/Areas - Originating Lenders
Loans Originated in HAWAII
Default Choice - Current Defaults
Performance Period - 06/30/2009
Loan Portfolio: Traditional FHA
Active - Loans Originated

Sort Order by Percent of Defaults and Claims in Descending Order
 Data shown includes all insured single family loans with a beginning amortization date between July 01, 2007 and June 30, 2009

| Rank | Lender | Lender Status | Lender Type | Compare Ratio | Total Orig. | Total in Default | Total Claims | Total in Default and Claim | % in Default and Claim | State Total Orig. | State Total in Default | State Total Claims | State Total in Default and Claim | State % in Default and Claim |
|------|---|---------------|-------------|---------------|-------------|------------------|--------------|----------------------------|------------------------|-------------------|------------------------|--------------------|----------------------------------|------------------------------|
| 1 | MORTGAGE CORPORATION -- 88888 | A | N/S | 194% | 129 | 9 | 0 | 9 | 6.98 | 2,113 | 71 | 5 | 76 | 3.60 |
| 2 | HOME BANK -- 55555 | A | S | 62% | 449 | 6 | 4 | 10 | 2.23 | 2,113 | 71 | 5 | 76 | 3.60 |

Displaying records 1 to 2 out of a total number of 2 records
[Download this report to an Excel file](#) [\[Help\]](#)

Report Summary

Report Run: August 4, 2009

Output Options: Data shown includes Lenders with total originations between 100 and 9999999 and total defaults and claims between 1 and 9999999 and compare ratio between 0 and 9999999 in HAWAII.

Loan Type(s) Being Displayed: All Loans

Data includes only those Lenders which are:

- Government
- Supervised
- Non-Supervised
- Loan Correspondant
- Investing/Non-Profit/Charitable

Links to credit watch data at branch level HUD Office view.
 Links to a Graph Report of the data displayed.

Figure 5: Neighborhood Watch – Originating Lenders page

Help Information Available for Neighborhood Watch

The **Help/About** pull-down menu (**Figure 2**) provides you with additional **Neighborhood Watch** information (**Figure 6**). A brief description of each of the available help options is provided below:

Help provides access to additional information about each of the **Neighborhood Watch** options, as well as links to other information regarding how to use **Neighborhood Watch**, recent updates, frequently asked questions, etc. Upon selecting **Help** from the **Help/About** menu (**Figure 2**), a selection page is displayed providing a summary of each available topic (**Figure 6**). Click the topic link (*provided at the left of the table*) to view more details.

Neighborhood Watch/Early Warning System Help

Welcome to the Neighborhood Watch Online Help System. Be sure to read the "What's New" page.

Getting Started Learn how to get started using Neighborhood Watch. Includes how to gain access, minimum browser recommendations, printing and reloading screens, and an overview of content and features available in Neighborhood Watch.

Application Menu Understand the basics of the Neighborhood Watch application menu, and get an overview of the content & features associated with each of the major menu buttons within the application menu. Links to more detailed descriptions are provided.

Early Warnings Learn about the "Early Warnings" feature, including overall capabilities, navigation instructions, output options, screen operations, terminology, and in-depth explanations of output screens/reports. Instruction and examples available for the major components of "Early Warnings": "All Lenders/Areas," "Single Lender," "All Lenders," "Single Appraiser," "All Underwriters," and "Single Lender."

Click a keyword term to access more information about a specific topic

Figure 6: Partial page sample of Neighborhood Watch – Help selection page

For example, if you click **Early Warnings**, a help page appears with more details on the **Early Warning** menu options (Figure 7).

Neighborhood Watch/Early Warning System Help

EARLY WARNINGS MENU CHOICES

Current Defaults
Current Defaults were reported as 90 days or more delinquent by the servicing lender as of the last reporting cycle updated in Neighborhood Watch. Lenders should select Current Defaults when analyzing its performance relative to the Credit Watch/Termination initiative.

First Defaults
First Defaults allows the user to hone in on the lenders and geographic areas that exhibit unusually high levels of first defaults early in the loan amortization period. There are two first default "periods" offered as options in Neighborhood Watch. They include:

- **Defaults within the first year** - Percentage of Originations which had first defaults reported by the servicing lender during the first year of origination. These defaults may have been subsequently cured.
- **Defaults within the first two years** - Percentage of Originations which had first defaults reported by the servicing lender during the first two years of origination. These defaults may have been subsequently cured.

Field descriptions, navigation instructions, and other information concerning the selected topic are provided

Figure 7: Partial page sample of Neighborhood Watch – Help page

About is an overview of the **Neighborhood Watch** function. It provides a summary of the system's intended use and a brief description of the information that is available using this function.

What's New provides a summary of each update made to **Neighborhood Watch**. The information is listed in chronological order according to when the update was released and provides a brief summary of each enhancement to the system. Links to previous year's information are provided at the end of this page and are grouped according to the calendar year in which the updates were released.

Frequently Asked Questions is a compilation of various key questions and answers regarding **Neighborhood Watch**. The information is separated into six categories which include: Basics, Origination, Servicing, Credit Watch, Queries, and Miscellaneous. Each listed question links to the specific answer.

Latest Refresh Date provides the date the **Neighborhood Watch** data was last updated (refreshed) and the date range for which the information is provided. In addition, the date for the next anticipated data refresh (update) is listed.

Feedback provides an electronic form that the user can complete and submit with comments and/or questions concerning **Neighborhood Watch**. Representatives respond to comments/questions accordingly.

www.hud.gov is a link to HUD's **Homes & Communities** website where you may access information concerning HUD and the various programs available to the public. You can return to the **Neighborhood Watch** page by using your Internet browser's **Back** button.

FHA Connection is a link back to the **Single Family FHA Business Areas** menu of the FHA Connection. You may be required to re-enter your FHA Connection's user ID and password to continue working in the FHA Connection. You may return to **Neighborhood Watch** by selecting the **Neighborhood Watch** link on the menu or using your browser's **Back** button.