

1.0 GETTING STARTED

1.1 Software and Hardware Requirements

The electronic submission of Financial Data Templates and the Data Collection Forms using the Lender Assessment Subsystem (LASS) requires computer access and an Internet browser. The optimum software and hardware resources are recommended for efficiency, although users can operate with the minimum required resources.

Optimum Hardware Resources

Processor: Pentium 100

RAM: 16 MB

Modem: 28.8

Video card: 256k

Download file size: 5.8MB

Installed file size: 10MB

Optimum Software Resources

Windows 95

Netscape* 4.76 or HTML-browser application

Internet Explorer 5.0

Adobe Acrobat Reader 4.05

Note: LASS was developed for Netscape 4.76 and Internet Explorer 5.0. Users should not use higher versions of Netscape or Internet Explorer than those listed above. Netscape 4.76 or Internet Explorer# 5.0 (32-bit) can be downloaded from the Internet. The procedures to download Netscape can be found at <http://wp.netscape.com/download/0222101/10000-en----qual.html>.*

Minimum Hardware Resources

Processor: 486

RAM: 8 MB

Modem: 14.4kb

Video card: 256k

Download file size: 5.5MB

Installed file size: 10MB

Minimum Software Resources

Windows 3.1

Netscape 4.5 or Internet Explorer 5.0

Adobe% Acrobat Reader 4.05


*Copyright© Netscape Communications Corporation.

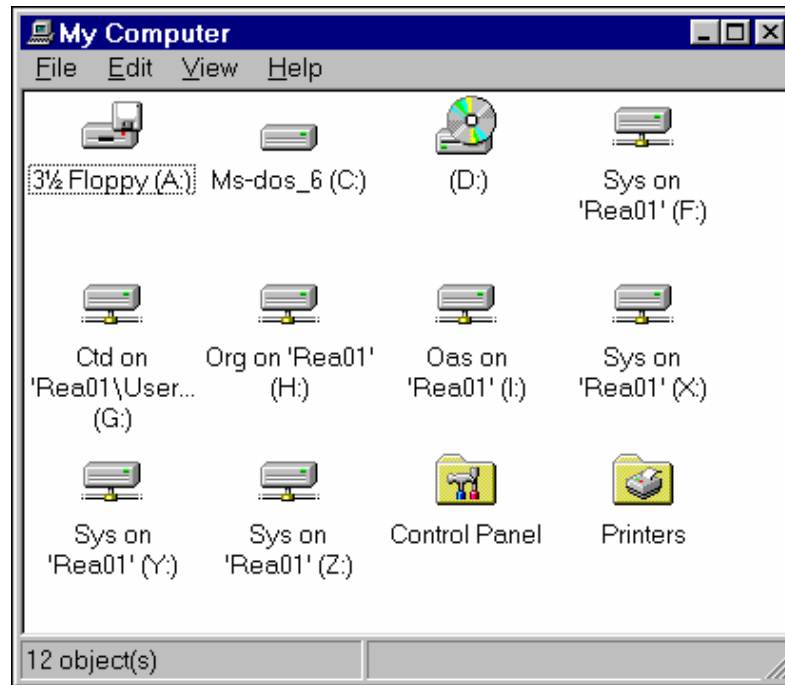
#Copyright© Microsoft Internet Explorer Corporation.

%Copyright© 2000 Adobe Systems Incorporated.

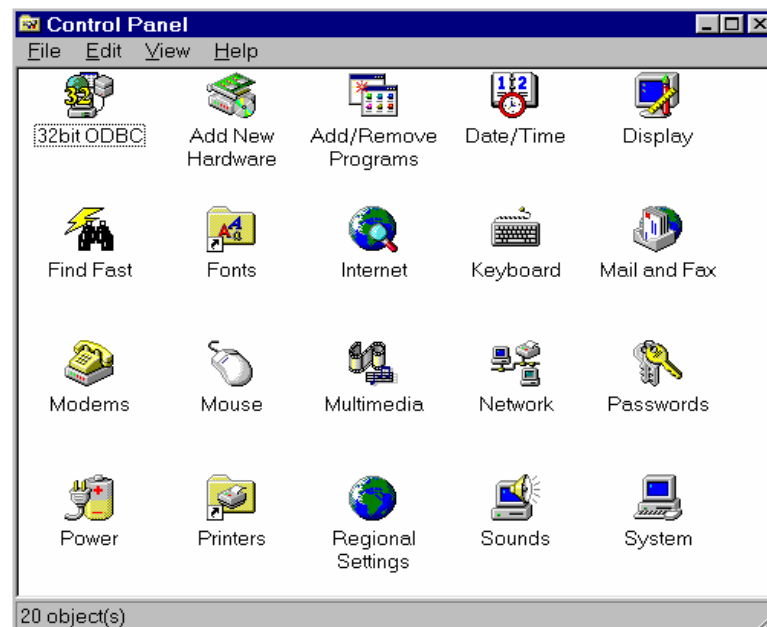
1.2 Checking Resources


To check your PC's resources:

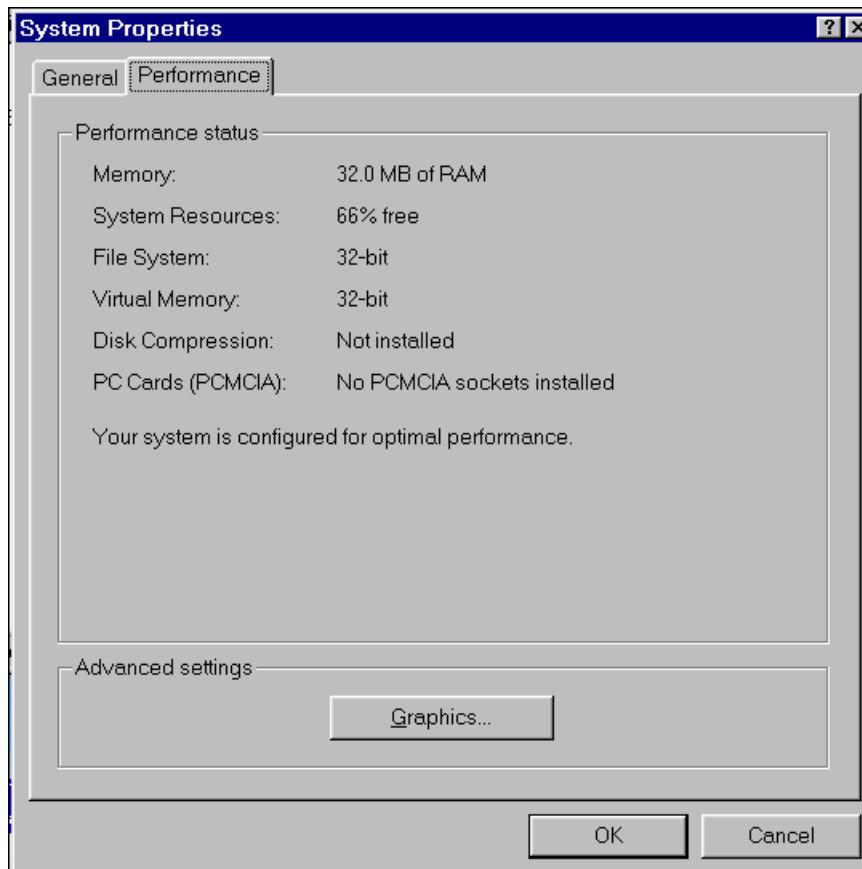
1. From your desktop, double-click on the My Computer  icon. The **My Computer** window displays.





2. Double-click on the Control Panel  icon. The **Control Panel** window displays.



3. Double-click on the System  icon. The **System Properties** window displays.



4. Click on the *General* and *Performance* tab names to view the system properties and determine if your computer has the minimum requirements.
5. Click on the  button to close the window.
6. Click on the Close  control icon in the top right corner of each window to close the remaining windows.

1.3 Internet Basics

The Internet is a worldwide system of computer networks facilitating access to information and people. Using the Internet to access and use HUD's secure systems requires an Internet connection, a computer with a modem or broadband and Netscape 4.76 or Internet Explorer 5.0 browser application. A browser allows access to Web pages on the World Wide Web (WWW or the Web). The Web is a universally accepted standard for sharing information on the Internet. The Web consists of information organized into pages stored on computers physically located throughout the world.

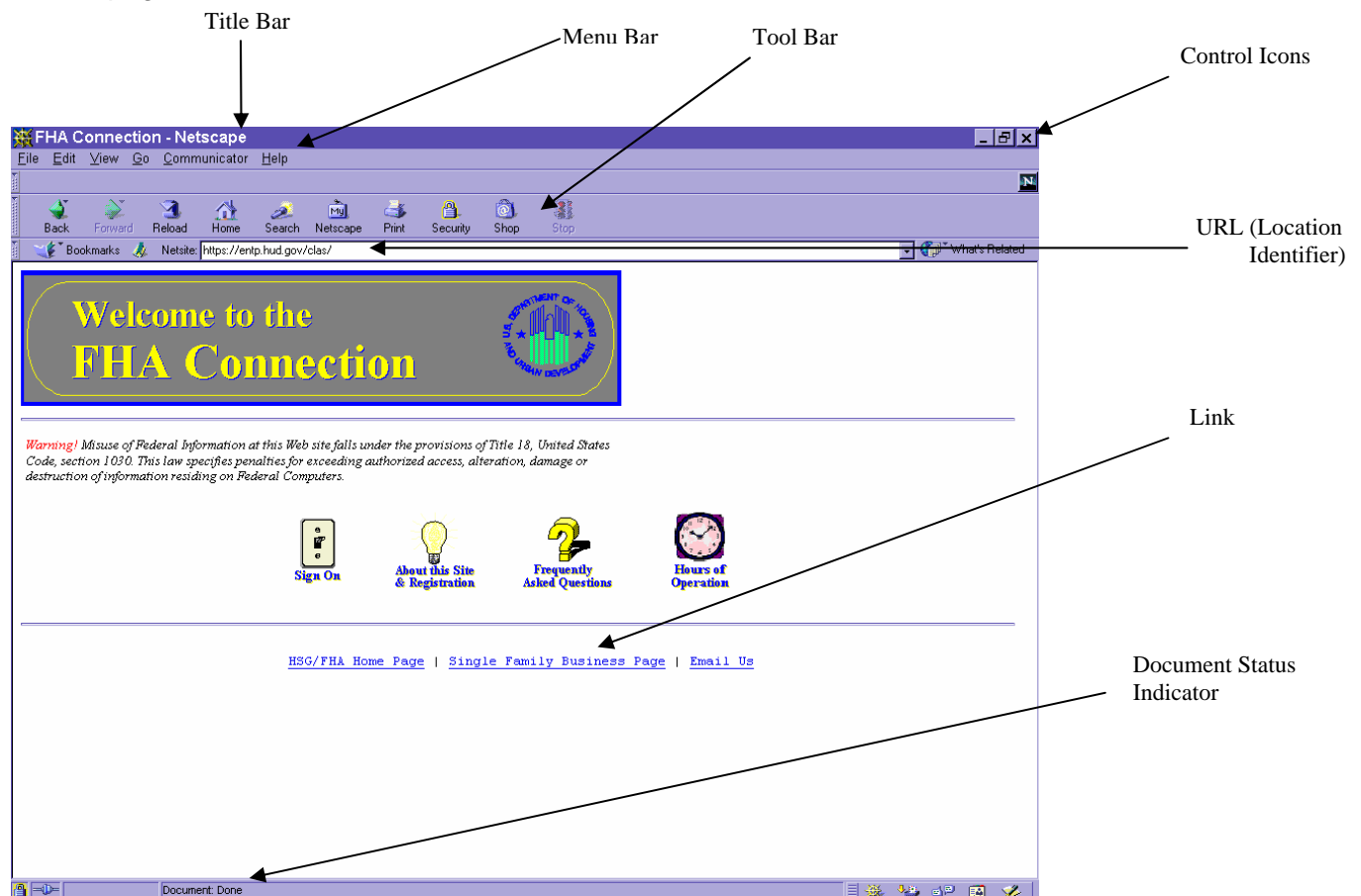


Note 2

Netscape is used as an example browser in this guide.

Web Page

The Web page is a document or application with a unique address on the Web, including links to other pages.



Title Bar





The title bar at the top of the page displays the title of the document or application of the Web page that is active or currently displayed. When more than one window is open, the title bar of the active window is bold; the other open title bars appear faded.



Control Icons

In the right corner of the title bar, there are three control icons.



With a mouse click, the Minimize  icon reduces or minimizes the window to the bottom of the page. To enlarge the window back to full size, click on the appropriately titled box at the bottom of the page. The Minimize/Maximize  icon reduces the window to a smaller size, allowing the user to view other open windows or the desktop. To enlarge the window back to full size, click on the Minimize/Maximize  icon again. The last control icon is the Close  icon. Clicking on this control icon closes the browser application (and the document or application open within the browser) and returns the user to the desktop.

Menu Bar

The menu bar provides drop-down menus for browser functions. By placing the cursor over a menu item and clicking on it with a left mouse button, the drop-down menu appears. Highlight the appropriate menu function with the cursor to make a selection.

Available menu functions are text items in bold. Menu functions that are not available appear faded and cannot be activated.



Tool Bar

The tool bar consists of buttons representing browser functions.



Available functions are buttons with bold text and graphics. A tool bar button appears faded if the function is not available.

URL (Location Identifier)

The unique location of the Web document or application is called the Uniform Resource Locator (URL). The URL is used to find a particular Web page among all the computers on the Internet. Enter the desired URL in the *Location* field and press the Enter key.

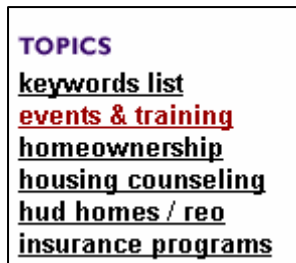


Note 3

The field is labeled “Location” for an Internet site. It is labeled “Netsite” for an intranet (internal/within the organization) site.

Links





A link provides a method to move quickly from the current page to another Web page. Links are typically underlined, although they do not have to be. Click on a particular link, and it moves the user to that particular page. Once the link is accessed, it typically changes color to indicate the user has accessed it once before.





Scroll Bar

The horizontal and vertical scroll bars allow users to move around and view portions of the document that might not be visible on the screen.




To move around on a page, use the single arrow directional buttons (i.e., Left , Right , Up , Down ). Users can also click on the scroll bar and slide to the desired location in the document.

Document Status Indicator

The browser logo indicates the status of the action being performed. If the browser is performing an action (for example, searching a database for information): the  logo to the right of the URL address appears to have comets flying across it, the  button on the tool bar is bold and red, and the status indicator line at the bottom of the page describes the status (for example, "Connect . . . Waiting for reply"). Upon completion of the action, the logo returns to its static state, the Stop button appears faded, and the status indicator line reads "Document: Done."



Security Status Indicator

The Lock  icon indicates whether the Web page is secure or not. Some Web pages can be secured or blocked from other Internet users if the page contains sensitive information, such as financial or housing information. If the Lock is closed, the page is secure. If the Lock is open, it is not a secure Web page.

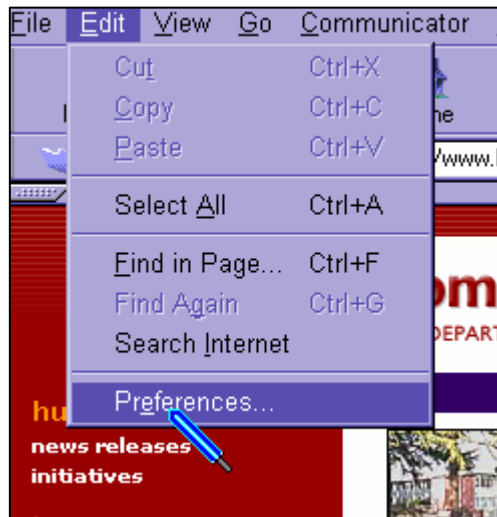
1.4 Initial Browser Settings

For LASS to function properly, the user's Internet browser must be set to accept cookies (A file automatically stored on the user's computer) and or to reload pages.

Netscape Settings

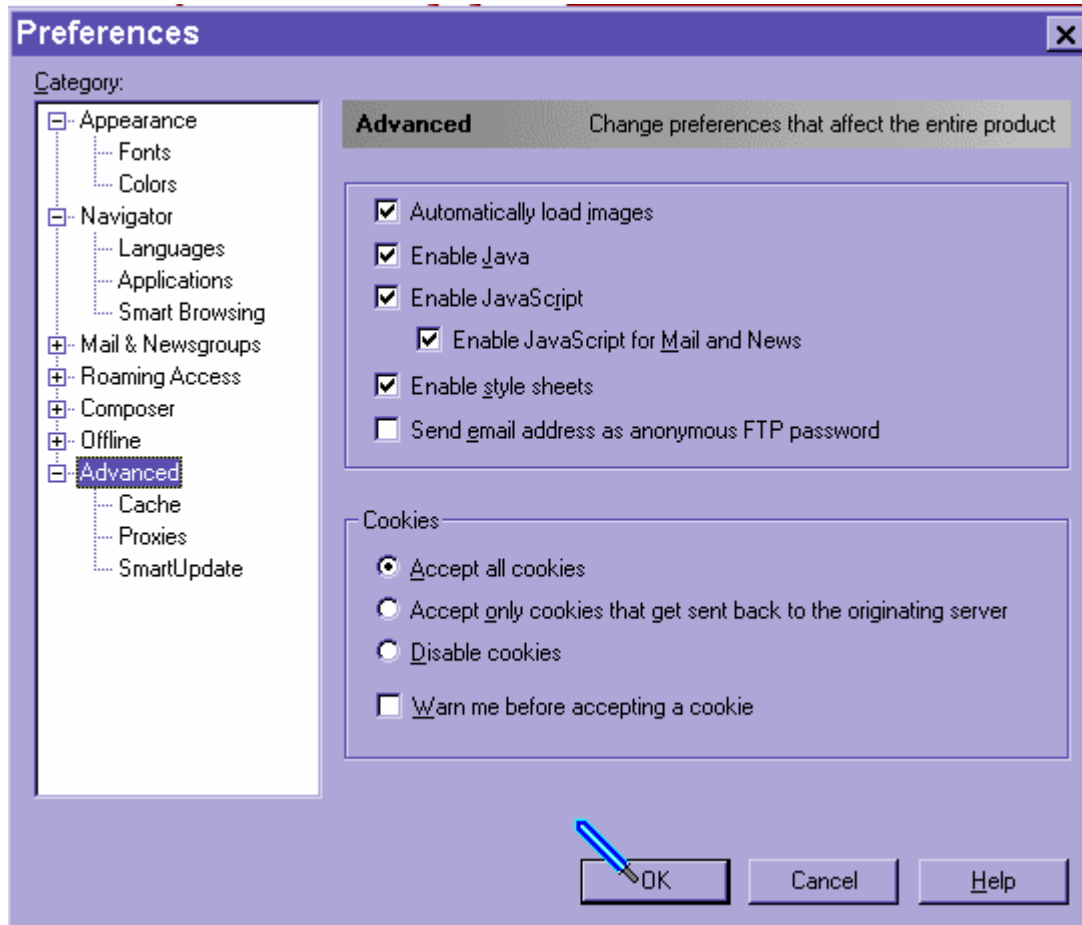
To set the Netscape settings:

1. From the desktop, double-click on your Netscape browser icon. The initial **Netscape** page displays.
2. Click on Edit on the menu bar, at the top of the page, to view the list of edit options.



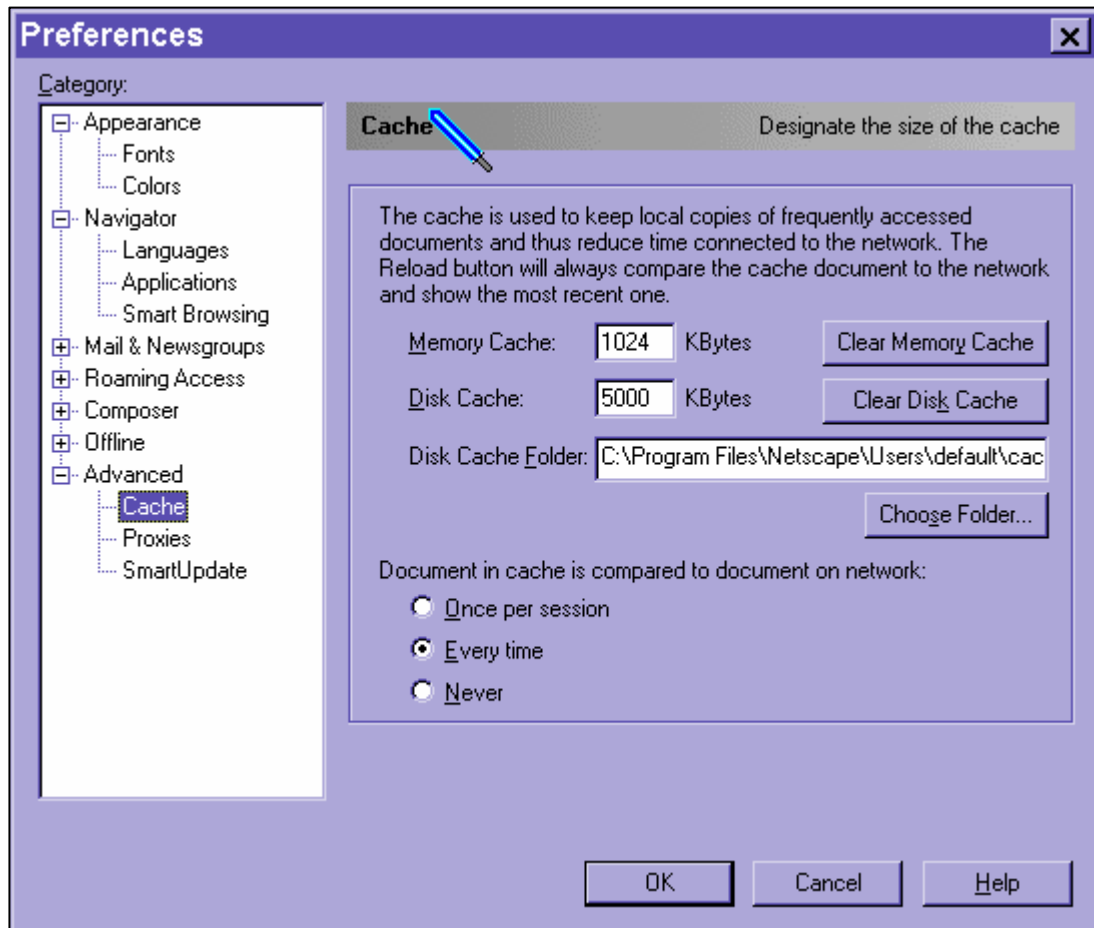
3. Click on the Preferences option to select it. The **Preferences** settings window displays.


4. Double-click on **Advanced** in the *Category* list to select it. The **Advanced** preferences settings window displays.



5. Under the *Cookies* heading, click on the “Accept all cookies” radio button to select it.
6. Then click on **Cache** under the *Advanced Category* list to continue to the **Cache** preferences settings window.

7. On the **Cache Preferences** window, click on the “Every time” radio button to set the browser to reload pages every time.



8. Finally, click on the  button to save the settings and close the window.

Internet Explorer Settings

To set the Internet Explorer settings:

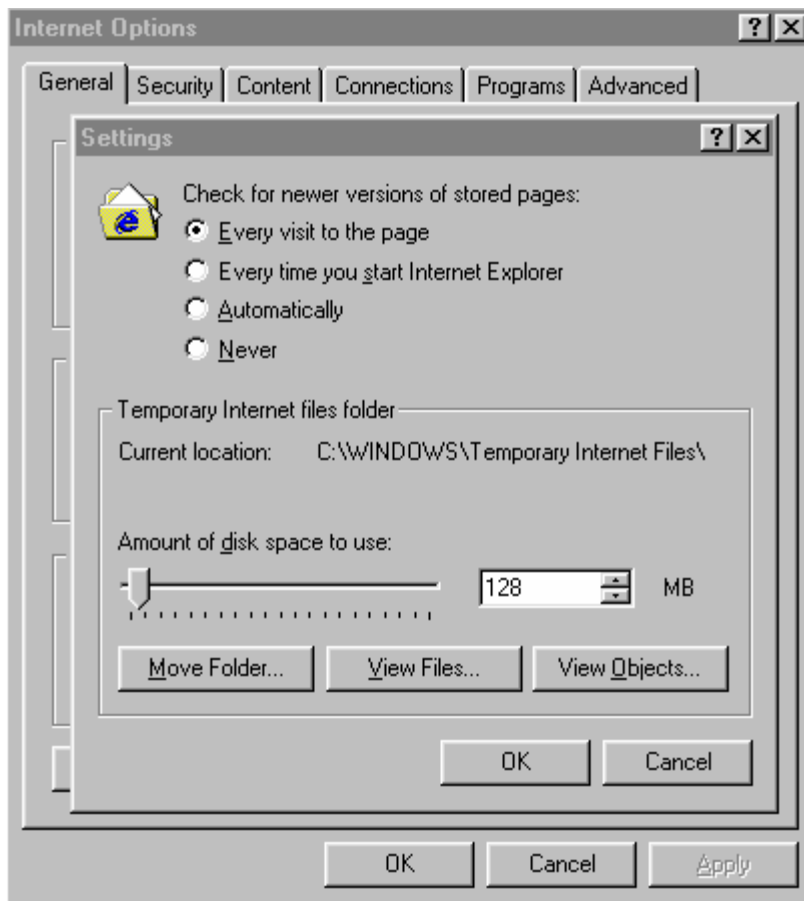
1. From the desktop, double-click on your Internet Explorer icon. The initial **Internet Explorer** page displays.


The screenshot shows the Microsoft Internet Explorer browser window displaying the HUD website. The address bar shows <http://www.hud.gov/>. The 'Tools' menu is open, and 'Internet Options...' is selected. The website content includes a navigation menu on the left, a main article about the Sand Point Community Housing Association, and several sections: 'hud highlights', 'at your service', 'sections just for you', 'homes for sale', and 'now playing'. The date 'June 27, 2001' is visible in the top right corner of the page content.

2. Click on Tools on the menu bar at the top of the page to view the list of options.
3. Click on Internet Options to select it. The **Internet Options** window opens to the **General** preferences settings page.



4. Under the *Temporary Internet files* section, click on the Settings button. The **Settings** preferences settings page displays.



5. Under the “*Check for newer versions of stored pages*” heading, click on the “Every visit to the page” radio button.
6. Click on the  button to save the settings and close the window.

1.1 Lender Registration – FHA Connection

LASS is a secure, web-based system that contains sensitive financial and lending information. Due to this sensitive information, users must register for a secure HUD user ID in order to access LASS.

To obtain a secure HUD user ID, all lenders must go to FHA Connection and apply for an Application Coordinator ID or Standard User ID.

Note: Each lending institution may have up to 2 Application Coordinator Ids and an unlimited number of Standard Users.

1.1.1 Application Coordinator ID Registration

The Application Coordinator will act as the administrator for FHA Connection. The person assigned the Application Coordinator ID will be responsible for assigning all roles within FHA Connection in order to successfully submit financials to HUD using LASS. LASS roles are defined in **Section 1.3 Role Code Definition & Assigning Roles** of this User Manual.

Applying for an Application Coordinator ID:

Step 1: Access FHA Connection by going to <https://entp.hud.gov/clas>

Step 2: Click on the 'About This Site & Registration' icon. (See Below)



Warning! Misuse of Federal Information at this Web site falls under the provisions of Title 18, United States Code, section 1030. This law specifies penalties for exceeding authorized access, alteration, damage or destruction of information residing on Federal Computers.

Click Here



Step 3: Registration page will display. Click on the 'Application Coordinator Registration' link.

Each lending organization is allotted two Application Coordinator IDs. An Application Coordinator ID allows an applicant to change non-secure information for a user or the lending organization's other Application Coordinator. Even though an Application Coordinator has the authorization to update user information, he/she can still perform authorized functions within the FHA Connection. Prior to applying for an Application Coordinator ID, an applicant is advised to verify the lending organization's [mailing address](#) on the Lender Approval System to avoid possible mailing delays. An Application Coordinator applicant is required to complete the [Application Coordinator Registration](#) page. Once HUD reviews and approves the request, an Application Coordinator ID will be issued. A letter verifying the Application Coordinator's ID and FHA application(s) authorization will be forwarded in 7 to 10 days to the applicant's lending organization in care of the CEO. Final approval will be given to the applicant once the CEO reviews and approves the applicant's FHA application(s) authorization.

Click here

Step 4: Complete the form in its entirety. The applicant **MUST** check the 'Submitter' box under the Lender Assessment Subsystem for Title I, Title II, or both to gain access to LASS. (See below)

Authorization for **Physical Assessment Subsystem** Applications:
 Scheduler Single Family REO Inspection

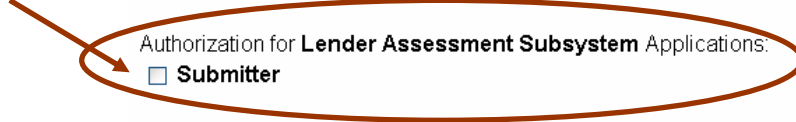
Authorization for **Development Application Processing** Applications:
 MAP Discipline Assigner MAP User

Authorization for **Lender Assessment Subsystem** Applications:
 Submitter

Title I Lender ID:

Authorization for **Title I** Applications:
 Report Single Loans Report Single Refinances Report Multiple Loans
 Claim Inquiry Download Bills

Click Here



Step 5: Click 'Send' at the bottom of the page.

Once the applicant has applied for the Application Coordinator ID, FHA Connections will send the information to the owner/comptroller of the company within 7 – 10 business days via regular mail. The password is not included in this packet so ensure the applicant remembers the password.

1.1.2 Standard User Registration

Standard Users have access rights to LASS that can only be granted by the Application Coordinator. In order to apply for a Standard User ID the firm must first have an Application Coordinator ID. Unlike the Application Coordinator, the Standard User does not have any administrative rights.

Step 1: Go to FHA Connection at <https://entp.hud.gov/clas>

Step 2: Click on the 'About This Site & Registration' icon. (See below)



Warning! Misuse of Federal Information at this Web site falls under the provisions of Title 18, United States Code, section 1030. This law specifies penalties for exceeding authorized access, alteration, damage or destruction of information residing on Federal Computers.



Click Here

Step 3: Registration page will display. Click on the 'Standard User Registration' link. See below.

If a user applicant is not applying for an Application Coordinator ID, a user applicant is required to complete the [Standard User Registration](#) page. Once HUD reviews and approves the request, a Standard User ID will be issued. The user must request that one of the lending organization's Application Coordinators retrieve the Standard User ID. To retrieve the Standard User ID, the Application Coordinator must go to the ID Maintenance Menu and select the FHA Connection ID Administration function. The Standard User ID will be given to the applicant once the Application Coordinator reviews and approves the applicant's FHA application(s) authorization.

Click here

Step 4: Fill out the form in its entirety. The applicant **MUST** click the checkbox next to Lender Assessment Subsystem for Title I, Title II or both.

Title II Lender ID: Service Bureau:

For CHUMS For Lender Approval For Home Mortgage Disclosure Act
 For Monthly Premiums For Delinquent Loans For Mortgage Record Changes
 For Claims Processing For SFPCS-U For Neighborhood Watch
 For Home Equity Conversion Mortgage Reports For MultiFamily Delinquency and Default Reporting For Physical Assessment Subsystem
 For Development Application Processing For Lender Assessment Subsystem

Title I Lender ID:

For Title I For Lender Approval For Home Mortgage Disclosure Act
 For Credit Alert Interactive Voice Response System For Lender Assessment Subsystem

Check here

Step 5: Click 'Send' at the bottom of the page. A Standard User ID will be assigned, and the Application Coordinator of your organization will receive the user ID. The password will not be enclosed, so make sure you remember it.

All lender id information is processed through FHA Connections. If you have not received your user id, you must contact FHA Connections at SFADMIN@HUD.GOV or (202) 708-2121.

1.2 Auditor User ID and UII Registration

If you are an auditor and already have a multifamily ID number, to gain access to LASS, you must convert your multifamily ID number. Continue through the registration process noted below. Once you submit your application it will convert your id. You will use your same id number to log in to LASS.

1.2.1 Independent Public Accountant (IPA) Registration

Unlike the lender, auditors **DO NOT** access FHA Connection to register for a User ID. All auditors must access Secure Systems to begin the setup process for LASS.

Step 1: Access Secure Systems by going to

http://www.hud.gov/offices/reac/online/online_registration.cfm

Step 2: From the main menu, select 'Independent User' from the list. (See Below)

The screenshot shows the Real Estate Assessment Center (REAC) website. On the left is a red sidebar with the 'Homes & Communities' logo and a list of navigation links including 'Real Estate Assessment Center', 'About REAC', 'Business area products', 'Business partners', 'Online systems', 'Common questions', 'Calendar', 'Industry user guides', 'Library', 'Directory', and 'Training'. The main content area has a white background with a red header 'Real Estate Assessment Center' and a breadcrumb trail: 'Home > About HUD > Real Estate Assessment Center > On'. Below this is the heading 'NEED a USER ID?' followed by text: 'Complete [registration instructions](#) are available, or go directly to the appropriate secure connection registration form.' A list of three options is provided: 'Multifamily Housing Entity', 'Public Housing Agency', and 'Independent User'. The 'Independent User' option is circled in orange, and an orange arrow points to it from the text 'Click Here' on the right.

Step 3: Fill out the registration form in its entirety and hit 'Send Application' at the bottom. User ID (starting with 'I') will be sent to the auditor via email within 24 hours. The password will not be included in the package so ensure the auditor remembers it from the application form.

Note: The auditor **IS NOT** registered for a **Unique IPA Identifier (UII)** at this time. To apply for a UII number, reference UII Registration in the next section.

1.2.2 Unique IPA Identifier- UII Registration

Only *one* UII number is generated per auditing firm. If the auditor already has a UII number, there is no need to apply for another.

Step 1: Once the auditor has received the User ID via email, he must contact the Application Coordinator at his client’s office and give the Coordinator the User ID that was emailed to him.

Step 2: The Lender will use the ID to assign the auditor the role of IPA. This role allows the auditor to attest to the lender’s financial report.

Note: The auditor will not be able to apply for the UII number until the lender assigns the IPA role. Please see the definitions of role codes in Section 1.3 of this Manual.

Step 3: After the Application Coordinator has assigned the auditor the ‘IPA’ role; the auditor must login to Secure Systems using the User ID and password received above. Secure Systems login can be found at: <http://www.hud.gov/offices/reac/online/reasyst.cfm>

Real Estate Assessment Center
 About REAC
 Business area products
 Business partners
 Online systems
 Common questions
 Calendar
 Industry user guides
 Library
 Directory
 Training
 Technical support
 Contact us
 HUD news
 Homes
 Communities
 Working with HUD

Online Systems

- ATTENTION PIH-REAC USERS!**
 Release Schedule: (05/03/04)
 - Friday May 28, 2004 - 8pm*
 - Friday April 30, 2004 - 8pm*
 - Friday August 13, 2004 - 8pm*
 - Friday October 15, 2004 - 8pm*
 - Friday December 17, 2004 - 8pm*

*Eastern Time

- IMPORTANT!!!**
 The Voucher Management System (VMS) is experiencing technical difficulties. The problem is currently being addressed. Please contact the Technical Assistance

Local information
 Print version
 Email this to a friend

Existing users log in below
LOG IN

Need to access HUD systems?
 Register below:
Online Registration

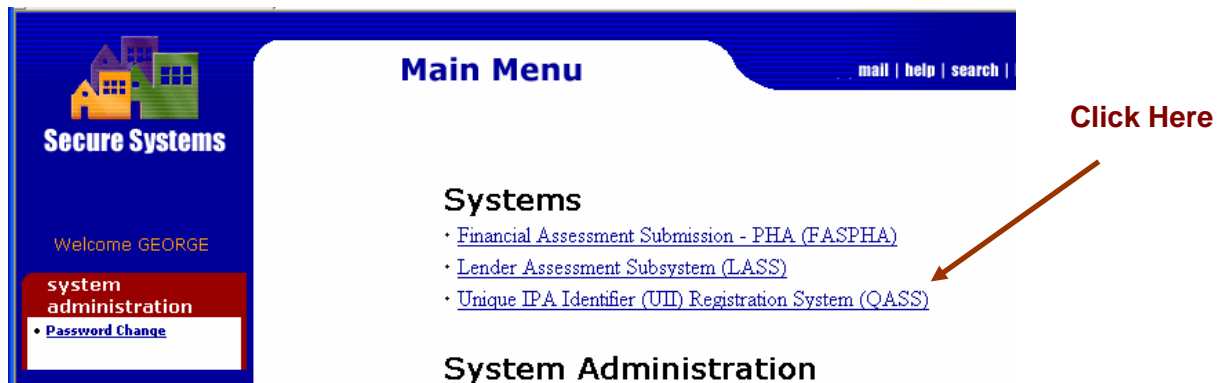
PASSWORD RESET
 Note: Password reset will require you to provide exact information from

Click here

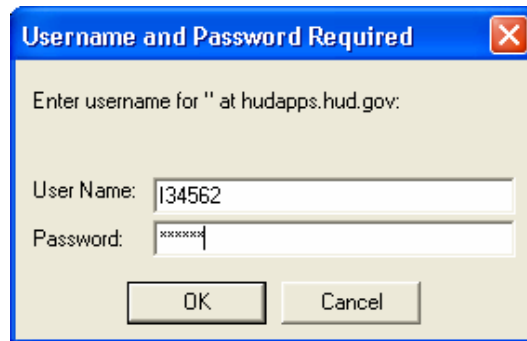
Enter User ID and Password here.
Note: Fields are case sensitive.

Username and Password Required
 Enter username for " " at hudapps.hud.gov:
 User Name: 134562
 Password:
 OK Cancel

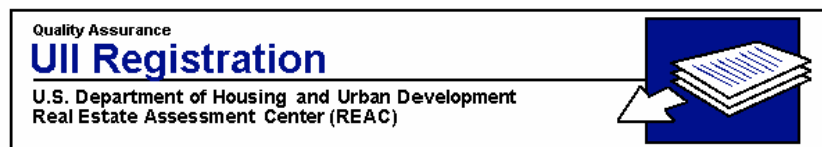
Step 4: From the Main Menu, click on the Unique IPA Identifier (UII) Registration link. (See below)



Step 5: Re-enter your user ID and password at the login screen and click 'OK'. (This will be the same user ID and password the user entered in Step 3 above.)



Step 6: Click on the 'Create New Profile' link.




Main Menu



Step 7: Click on 'Independent Public Accounting Office'. (See below)

Quality Assurance
UII Registration
 U.S. Department of Housing and Urban Development
 Real Estate Assessment Center (REAC)



[QASS Header Image](#) | Audit Office Classification


Please select whether you are registering for an independent public accounting office or for a state auditor office:

[Independent Public Accounting Office](#)

[State Auditor Office](#)

Step 8: Enter the EIN and zip code of the IPA firm and click 'Go'.

Quality Assurance
UII Registration
 U.S. Department of Housing and Urban Development
 Real Estate Assessment Center (REAC)



[Main Menu](#) | Create IPA Office Profile

Please enter your office EIN and Zip Code below and then click the Go push button:

*EIN:

*Zip Code:

Step 9: Fill out the UII Application form completely and hit 'Go'. (See below)

Complete form

*Audit Office State:	AA ▾
*Audit Office Zip Code:	<input type="text"/>
Audit Office Zip Code Extension:	<input type="text"/>
*Audit Office Phone Number:	(<input type="text"/>) <input type="text"/> - <input type="text"/>
*Auditor Contact First Name:	<input type="text"/>
Auditor Contact Middle Name:	<input type="text"/>
*Auditor Contact Last Name:	<input type="text"/>
*Auditor Contact Title:	<input type="text"/>
*Auditor Contact Phone:	(<input type="text"/>) <input type="text"/> - <input type="text"/>
Auditor Contact Phone Extension:	<input type="text"/>
Auditor Contact Fax:	(<input type="text"/>) <input type="text"/> - <input type="text"/>
*Auditor Contact Email:	<input type="text"/>
<input type="button" value="Go"/> <input type="button" value="Reset"/>	
By submitting this information, the submitter certifies on behalf of the user that the information in the registration form is correct and valid, and that the submitter is properly authorized to make this registration and certification on behalf of the user.	
Line items denoted by an asterisk (*) are required fields.	

Click here

Step 10: After the application processes (should take only a few seconds) a 5-digit number is generated. This number is the UII number.

Step 11: The UII number must be given to whoever is filling out the financial submission within LASS. There is one line item within the submission that requires the UII number.

1.3 Role Code Definition & Assigning Role Codes

At this point, the lender should have an Application Coordinator ID and the auditor should have a user ID.

1.3.1 LASS Role Codes

LASS has three different Role Codes that may be assigned to a user. Please read each of the role codes through carefully before assigning.

Independent Public Accountant (Auditors Only):

This role allows an Independent Public Accountant (IPA) to view, verify and attest to the electronic submission within LASS in read-only format. This is the only role that can register for a UII number.

An auditor cannot be assigned the IPA role until he has registered for a User ID. (Section 1.2: Auditor Registration).

The auditor assigned the IPA role may **ONLY** attest to the lender's submission and **MAY NOT** enter in the financial information into LASS on behalf of the client. If the audit firm would like to enter in the financial data on behalf of the client, see the 'Data Entry' role below.

Data Entry (Auditors Only):

An auditor cannot be assigned the Data Entry role until he has registered for a User ID. (Section 1.2: Auditor Registration).

If the auditor is given the 'Data Entry' role, the only function this auditor may perform is data entry. The data entry will only include transferring the hardcopy financial report into the financial submission template within LASS. This roll cannot attest to the financial submission within LASS or submit the financials to HUD.

If the audit firm would like to enter the data on behalf of their client as well as attest to the financial report, the audit firm must apply for two User Ids. The client can assign one as 'Data Entry' and one as the 'Independent Public Account'. **One ID cannot do both Data Entry and Attestation.**

Submitter (Lenders Only):

The 'Submitter' role can be assigned to an Application Coordinator or a Standard User.

The 'Submitter' role has the ability to enter all of the financial data into LASS as well as submit the financial data to HUD for review.

The Submitter is the only role code that can submit the financials to HUD for review. The Data Entry and IPA roles do not have 'submit' rights.

1.3.2 How to Assign Role Code for the Lender

Only the lender with an Application Coordinator ID may assign or un-assign roles.

Step 1: Login to FHA Connection using <https://entp.hud.gov/clas/>

Step 2: Click on the 'Sign On' icon from the main page. See below.



Warning! Misuse of Federal Information at this Web site falls under the provisions of Title 18, United States Code, section 1030. This law specifies penalties for exceeding authorized access, alteration, damage or destruction of information residing on Federal Computers.

Click here



Sign On



About this Site
& Registration



Frequently
Asked Questions



Hours of
Operation

Step 3: Click on the ID Maintenance icon in the bottom left hand corner.



- ◆ [Single Family FHA](#)
- ◆ [Multi Family FHA](#)
- ◆ [HUDCLIPS](#)
- ◆ [Lender Approval](#)
- ◆ [Lenders Information](#)
- ◆ [Mortgagee Letters](#)



[\[Home\]](#) [\[ID Maintenance\]](#)



Click here

Step 4: From the ID Maintenance Menu, click on 'ID Administration'. See below.



[Password Change](#)

[FHA Connection ID Administration](#)

[Service Bureau Authorization](#)

[Coordinators](#)

[Appraiser Roster](#)

Click here

Step 5: FHA Connection ID Administration page is displayed with a number of search boxes. The first box is titled 'By FHA ID'. In this search box, enter the Standard User's ID and hit 'Send'. See below.

FHA Connection ID Administration

Business Background	Steps for Processing	Field Descriptions
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Choose one of the following:

[TOTAL Scorecard Acknowledgment](#)

Query FHA IDs:

By FHA ID: **Enter User ID here**

By Last Name: First Name:

By ID Status:

By Assigned After the Date: / /

Sorted By:

Click 'Send'

Step 6: After clicking 'Send', the lending firm information is returned. Scroll down the page until the desired program type (Title I, Title II, Title I & II) is displayed. The last check box under each program type is titled 'Submitter'. This checkbox must be checked for each program type that applies to the lending firm. Checking these boxes will grant the user access to LASS. (See below)

Title I Lender ID: ← **Program Type**Authorization for **Title I** Applications:

- Report Single Loans Report Single Refinances Report Multiple Loans
 Claim Inquiry Download Bills

Authorization for **Lender Approval** Applications:

- Add Branch Terminate Branch Update Branch
 Query Branch Update Institution Query Institution
 Update Sponsor Relations Query Sponsor Relations

Authorization for **Home Mortgage Disclosure Act** Applications:

- File Transfer

Authorization for **Credit Alert Interactive Voice Response System** Applications:

- CAIVRS Pre-Screen

Authorization for **Lender Assessment Subsystem** Applications:

- Submitter

← **'Submitter' Checkbox**

Step 7: Click 'Send' at the bottom. The Standard User will not have access to create and submit a LASS submission.

1.3.3 How to Assign Role Codes for the Auditor

Only the lender with an Application Coordinator ID may assign or un-assign roles.

Step 1: Login to FHA Connection using <https://entp.hud.gov/clas/> (See screen from previous section)

Step 2: Click on the 'Sign On' icon from the main page (See screen from previous section)

Step 3: Click on the ID Maintenance icon at the bottom left hand corner. (See screen from previous section)

Step 4: Click on 'ID Administration' from the ID Maintenance screen. (See screen from previous section)

Step 5: A number of search boxes are returned. The first box is titled 'By FHA ID'. In this search box, enter the auditors User ID (not the UII) and click 'Send' (See screen from previous section)

Step 6: Auditor's information is returned. Scroll to the bottom of the page and either choose 'Independent Public Accountant' or 'Data Entry' role. Remember, only the Independent Public Account Role will be able to apply for a UII number. (See below)

If you would like to reset the password, please click on the link: [Reset Password](#)

Choose your System Applications.

- Please click the appropriate button to authorize access to the following FHA application.

Title I and Title II

Authorization for **Lender Assessment Subsystem** Applications:

- Independent Public Accountant
- Data Entry
- None

Role Assignment

Send Reset

Step 7: Click 'Send' at the bottom.

Step 8: Contact your auditor and let him know that you have assigned him the appropriate role.

*Note: If you assigned the 'IPA' role, let the auditor know that he must now apply for the UII number. For detailed instructions on how to apply for the UII number, refer to **Section 1.2 Auditor Registration of this manual.***

2.0 Accessing LASS for both Lenders & Auditors

The following section outlines how to gain access to LASS for the various role codes (IPA, Data Entry, Submitter).

2.1 Accessing LASS as the Submitter (Lender)

Step 1: Access FHA Connection by going to <https://entp.hud.gov/clas/>

Step 2: Click on the 'Sign On' icon and enter the user's User ID and password in the pop-up box.

Note: Three incorrect login attempts will lock the user out and the user will need to have the password reset.



Warning! Misuse of Federal Information at this Web site falls under the provisions of Title 18, United States Code, section 1030. This law specifies penalties for exceeding authorized access, alteration, damage or destruction of information residing on Federal Computers.

Click here
to login



Sign On



About this Site
& Registration



Frequently
Asked Questions



Hours of
Operation

Step 3: Click on the 'Single Family' link from the list. See below.

- ◆ [Single Family FHA](#)
- ◆ [Multi Family FHA](#)
- ◆ [HUDCLIPS](#)
- ◆ [Lender Approval](#)
- ◆ [Lenders Information](#)
- ◆ [Mortgage Letters](#)



Click here



Step 4: Click on 'Lender Assessment' from the Single Family Menu. Login box will popup asking the user for a User ID and password.

Message Boards Updated As Of:

◆ Single Family Origination	Monday May 17, 2004
◆ Single Family Servicing	Thursday July 31, 2003
◆ Property Improvement/Manufactured Housing	
◆ Lender Approval	Monday April 05, 2004
◆ Lender Assessment ← Click here	
◆ Physical Assessment	
◆ HMDA Data Submissions	
◆ Neighborhood Watch	
◆ Mortgage Letters	

Step 5: Enter in the same User ID and password that is used to access FHA Connections (Step 1).

Note: If the user receives an error message at this point stating the user ID is not set up correctly, the user has not been assigned the submitter role by the Application Coordinator. Reference Section 1.3.2 for instructions on how to assign the submitter role.

Step 6: Select the lender's firm name from the dropdown list and click 'Search'. See below.

Instructions:
Choose a Lender Name and/or Status. Click the Search pushbutton to retrieve a particular lender's submission.

Lender Name
MAXIMUM MORTGAGE CONCEPTS ▼

Status
ALL ▼ Search ← **Click here**

Note: After clicking 'Search' the user will be brought to the LASS inbox. These are the steps the user must follow each and every time the user wishes to access LASS.

2.2 Accessing LASS as the Auditor (Data Entry & IPA)

Step 1: Access Online Systems using <http://www.hud.gov/offices/react/online/reasyst.cfm>

Step 2: Click on the 'LOG IN' button and enter the auditor's User ID and password in the pop-up box. See below.

Online Systems

- **ATTENTION PIH-REAC USERS!**

Release Schedule: (05/03/04)

- Friday May 28, 2004 - 8pm*
- Friday April 30, 2004 - 8pm*
- Friday August 13, 2004 - 8pm*
- Friday October 15, 2004 - 8pm*
- Friday December 17, 2004 - 8pm*

*Eastern Time

- **IMPORTANT!!!**

The Voucher Management System (VMS) is experiencing technical difficulties. The problem is currently being addressed. Please contact the Technical Assistance

 [Local information](#)
 [Print version](#)
 [Email this to a friend](#)

Existing users log in below

LOG IN

Need to access HUD systems?
Register below:

Online Registration

PASSWORD RESET

Note: Password reset will require you to provide exact information from

Click here

Step 3: Click on the 'Continue' button on the warning page. See below.

Legal Warning

Misuse of Federal Information through the HUD Secure Connection web site falls under the provisions of title 18, United States Code, Section 1030. This law specifies penalties for exceeding authorized access, alterations, damage, or destruction of information residing on Federal Computers.

Warning Notice

The Secure Systems security access software supports Internet Explorer 6.0 browser. Internet Explorer 5.0 browser is supported for all processing systems except ARAMS. Other browsers may not be compatible with this software.

Continue

Click here

Step 4: Click on the link for 'Lender Assessment Subsystem' from the main menu. See below.

Systems

- [Financial Assessment Submission - PHA \(FASPHA\)](#)
- [Lender Assessment Subsystem \(LASS\)](#)
- [Unique IPA Identifier \(UII\) Registration System \(QASS\)](#)

Click here

System Administration

- [Password Change](#)

Step 5: Choose the appropriate client name from the dropdown list and click 'Search'. See below.

**Lender Assessment
Electronic Submission**
U.S. Department of Housing and Urban Development
Office of Lender Activities

Instructions:
Choose a Lender Name and/or Status. Click the Search pushbutton to retrieve a particular lender's submission.

Lender Name
MAXIMUM MORTGAGE CONCEPTS

Status
ALL Search

Click here ←

After clicking 'Search' the user will be brought to the LASS inbox. These are the steps the user must follow each and every time the user wishes to access LASS.

3.0 How to Create and Delete a LASS Submission

Before attempting to create a LASS submission, the user must create an Application Coordinator ID (Lender), an Independent User ID (Auditor), assign roles, and successfully access LASS. If the user has not completed all of these steps, please see Sections 1.1 Lender Registration, 1.2 Auditor Registration, 1.3 Role Code Definitions & Assigning Role Codes, and 1.4 Logging into LASS respectively.

*Note: The only roles that may create a LASS submission are the Lender Submitter and the Auditor Data Entry roles. The IPA role **CANNOT** create a submission because this role does not have data entry rights.*

3.1 Creating a LASS Submission

Step 1: If the user is the Lender submitter, login to LASS through FHA Connections. If the user is the Auditor Data Entry, login to LASS through Secure Systems. (For instructions on logging into LASS, see Section 1.4 Logging into LASS)

Step 2: From the LASS inbox, click on the 'Create New Submission' link at the top of the page.

Step 3: Answer the question displayed as it pertains to the user (i.e. 'No' if the user is not part of a Parent or Subsidiary and 'Yes' if the user is part of a Parent or Subsidiary). If the user answers 'Yes' to the first question, the page will refresh and a second questions will appear. (See below)

Instructions:

Please state whether the HUD approved lender is a parent or subsidiary entity and, if the answer is "No", whether the HUD approved lender issued financial statements independent of the consolidated entity.

Is the HUD approved lender a parent or subsidiary entity?

Yes

No

Submit

Instructions:

Please state whether the HUD approved lender is a parent or subsidiary entity and, if the answer is "No", whether the HUD approved lender issued financial statements independent of the consolidated entity.

Is the HUD approved lender a parent or subsidiary entity?

Yes No

Did the HUD approved lender issue financial statements independent of the consolidated entity?

Yes No

Submit

Note: HUD approved Title I & II Non-supervised lenders and Loan Correspondents with FYE on or after January 31, 2004 who are a parent or subsidiary entity and have issued consolidated financial statements, are required to electronically file their annual financial statements for recertification using the Lender Assessment Subsystem (LASS). Where the non-supervised lender or loan correspondent (lender) is a parent or subsidiary entity and the lender's financial statements are audited as part of consolidated financial statements, information on the lender's assets, liabilities and results of operation are included in the consolidating schedules within the footnotes of the consolidated financial statements. The information for the lender on those consolidating schedules, which do not include the cash flow statement, of the lender constitutes the financial information that needs to be submitted via LASS.

Step 4: Answer the 2nd question appropriately (if applicable).

Step 5: Click the 'Submit' button

Step 6: The screen will now display the Lender Information page. The Lender Info page contains the lender's profile information. This information must be correct to ensure accurate processing of your submission. The user is required to verify the information on this page is correct.

- If all of the information is correct, click 'Agree' at the bottom of the page.

Note: If all of the information was correct, after clicking 'Agree' a submission has successfully be created. The user will be directed to the submission with the 'Balance Sheet' displayed.

- If any of the information is incorrect, proceed to Step 7

Step 7: If the information is incorrect, click 'Disagree' and either access and correct your lender profile information via FHA Connection or Email HUD at lass@hud.gov or HSG-lender_approval@hud.gov to resolve the problem.

Note: If you access your lender profile information via FHA Connection ensure the lender information that was incomplete/incorrect is now updated. If you cannot change the necessary information in FHA Connection, please email HUD at lass@hud.gov. If you need to have your Fiscal Year End, Tax ID, or Number of Branch Offices changed, please email HSG-lender_approval@hud.gov. When emailing

HUD, be sure to include your lender ID, phone number and any other pertinent information that HUD may need.

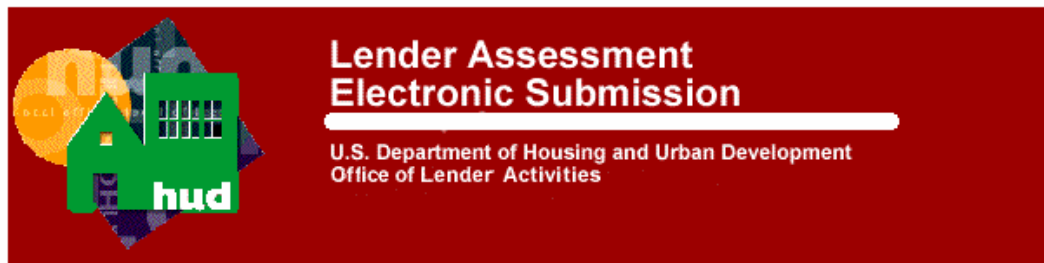
Note: Please wait 24 hours before logging back into the system after updating the Lender Info in FHA Connection to allow time for the updates to be processed.

Step 8: Once the Lender Information has been updated, return to **Step 1** of this section repeat steps until the lender information is correct.

3.2 Deleting a LASS Submission

A submission may only be deleted if the submission is in 'Draft' status.

Step 1: Click on the 'Delete Submission' link at the top of the page of the inbox. See below:



Inbox | [Create New Submission](#) | [Delete Draft Submission](#)

Instructions:

You may click on the link underneath the Status column to open your submission. To delete a draft submission, click the 'Delete Draft Submission' link. To create an extension request, click the 'Request 30-Day Extension' link if it is available.

Lender Name

DAKOTA MORTGAGE CORPORATION ▼

Status

ALL ▼

Search

Click here to delete a submission

Step 2: The Delete Draft Submission page appears with a checkbox next to the submission. See below:



[Inbox](#) | Delete Draft Submission

Instructions:

To delete a submission draft, select the draft by putting a check in the appropriate "Select" check box. Then click on the Delete pushbutton. A pop-up message box will appear asking you to confirm the deletion of the draft submission. If you agree to the pop-up message box, the draft will be deleted and no longer show on the page.

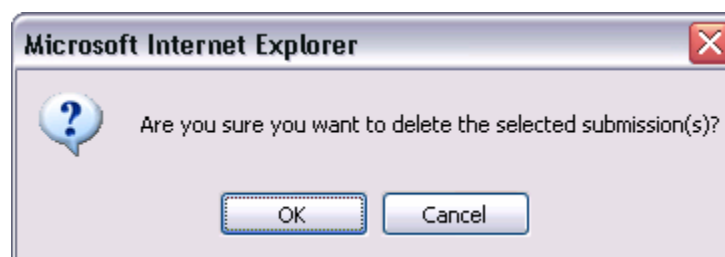
SELECT	STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	DATE OF LAST REVISION
<input type="checkbox"/>	Draft	1556900003	ANYLOAN COMPANY	Title I and II Non-Supervised	12/31/2001	9/12/2001
<input type="button" value="Delete"/>						

Step 3: Click in the checkbox next to the submission that should be deleted. See below:

SELECT	STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	DATE OF LAST REVISION
<input type="checkbox"/>	Draft	1556900003	ANYLOAN COMPANY	Title I and II Non-Supervised	12/31/2001	9/12/2001
<input type="button" value="Delete"/>						

Click in the checkbox to select this submission

Step 4: Click on the 'Delete' button at the bottom. A pop-up window will display with the following message:



Step 5: Click 'OK' in the pop-up box.

Step 6: The Delete Submission page will no longer display the submission after the page refreshes. See display below.

[Inbox](#) | Delete Draft Submission

Instructions:

To delete a submission draft, select the draft by putting a check in the appropriate "Select" check box. Then click on the Delete pushbutton. A pop-up message box will appear asking you to confirm the deletion of the draft submission. If you agree to the pop-up message box, the draft will be deleted and no longer show on the page.

SELECT	STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	DATE OF LAST REVISION

[Top of Page](#)

Step 7: Click on the 'Inbox' link at the top of the page and create a new submission following **Steps 1 – 7** from section **3.1 Creating a LASS Submission**.

4.0 USING THE LENDER ASSESSMENT SUBSYSTEM (Online)

This section will serve as a quick reference guide to completing and submitting the LASS Submission to HUD for recertification.

After creating a submission, the user must complete the form. The different portions of the submission are outlined below.

- **Financial Data Template (FDT)**

The FDT includes the Balance Sheet, Operations & Equity, Cash Flows, Net Worth, and Liquidity tabs.

For more detailed information on filling out these tabs, please go to Sections 5.1 Balance Sheet, 5.2 Operations & Equity, 5.3 Cash Flows, 5.4 Net Worth, and 5.5 Liquidity of this User's Manual.

Note: The user will not have the Cash Flows tab if the user is part of a Parent or Subsidiary.

Note: The user will not have the Liquidity tab if the user is a Title I lender.

- **Data Collection Form (DCF)**

The DCF includes the General Information and Financial Statements tabs.

For more detailed information on completing the DCF tabs, please refer to Sections 5.6 General Information and 5.7 Financial Statements of this User's Manual.

- **Notes & Findings**

The Notes & Findings included the Footnotes, Audit Findings and Action Plan tabs. Attach all necessary documentation to the tabs included in the Notes & Findings section.

For more information on attaching documentation for Notes & Findings, please see Section 5.8 Notes & Findings of this User's Manual.

- **Submitting to the IPA for Review**

After filling in all necessary information in the template, the user must run the 'Submission Completeness Check' on the submit screen. After the 'Submission Completeness Check' is run without errors, the user must submit the financials to the IPA for review.

For more information on submitting to the IPA, please see Section 5.9 Submit to IPA of this User's Manual.

- **IPA Review**

The auditor can either agree or disagree to the lender's financials. If the auditor disagrees, the lender must correct the errors and resubmit to the IPA. The lender must continue correcting the errors until the IPA agrees to the lender's financials.

For detailed information of IPA Review refer to Section 5.10 Auditor Procedures and Section 5.11 Resubmit to the IPA for Review of this User's Manual.

- **Submitting to HUD**

After the auditor has successfully agreed to the lender's submission, the lender must now submit the financials to HUD for approval.

For detailed instructions on submitting to HUD, please refer to Section 5.12 Submit to HUD of this User's Manual.

- **Responding to a Deficient Submission**

If the status of the submission is 'Deficient' after submitting to HUD, the user must submit a cure to fix the deficiency.

For detailed instructions on curing a deficiency, please refer to Section 5.13 Responding to a Deficient Submission.

- **Responding to a Rejected Submission**

If the status of the submission is 'Rejected' after submitting, the user must either submit a new submission or correct the rejected submission.

For detailed instructions on correcting a rejected submission, please refer to Section 5.14 Responding to a Rejected submission.

5.0 Completing a LASS Submission

5.1 Balance Sheet

The Balance Sheet is used to enter the applicable Balance Sheet Information for the current submission. Using your hardcopy financial statements prepared by your auditor, enter the applicable data into the Balance Sheet template.

Step 1: Enter the data on the Balance Sheet.

Balance Sheet			
Ops & Equity			
Cash Flows			
Net Worth			
Liquidity			
Line Item #	Account Description	Amount	Details
Assets:			
Current Assets:			
111*	Cash and Cash Equivalents	\$ <input type="text"/>	---
121	Accounts Receivable, Net of Allowance for Doubtful Accounts	\$ <input type="text"/>	---
131	Securities	\$ <input type="text"/>	---
132	Securities Available for Sale	\$ <input type="text"/>	---
133	Trading Account Securities	\$ <input type="text"/>	---
134*	Loans Held for Sale, at lower of cost or market	\$ <input type="text"/>	---
135	Other Current Assets	\$ 0 <input type="text"/>	Details
136	Deferred Income Taxes	\$ <input type="text"/>	---
150	Total Current Assets	\$ 0 <input type="text"/>	---
Non-Current Assets:			
165	Property, Equipment and Leasehold Improvements, Net of Accumulated Depreciation	\$ <input type="text"/>	---
166	Co-Insurance Loss Reserves	\$ <input type="text"/>	---
167	Deferred Income Taxes	\$ <input type="text"/>	---
171	Net Mortgage Servicing Rights	\$ <input type="text"/>	---
172	Other Allowance for Losses	\$ <input type="text"/>	---



Partial Template Shown



Note 1: Click the **Line Item Definitions** link for a detailed account explanation of each of the line items. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 2: Do not use commas or decimals when entering values on the Balance Sheet. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system also rounds decimals to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Once all Balance Sheet data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To save the Balance Sheet with the data that has been entered, click the  button, and proceed to **Step 3**.
- To reset the Balance Sheet to the data from the last time it was saved, click the  Pushbutton, and repeat **Step 1**.

Note: The data entered is automatically saved when you click on any tab or link on the Balance Sheet. The Save button does not have to be clicked.

Step 3: The Save button saves the Balance Sheet with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on a new page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to step 4.

Step 4: The Balance Sheet page refreshes with the saved data.

Step 5: Click either on the Operations and Equity tab or the Operations and Equity links at the top and bottom of the page to proceed to the Operations and Equity page.

5.10 For Independent Public Accountants, completing Agreed-Upon Procedures (Online)

An auditor will attest to the lender’s submission once it is submitted for IPA Review. The Agreed Upon Procedures ensure the financial data entered into LASS by the lender is accurate and ties to the lender’s hard-copy financial statements.

Step 1: Login to Secure Systems using <http://www.hud.gov/offices/react/online/reasyst.cfm>

*Note: For detailed instructions on logging into LASS, refer to **Section 2.0 – Logging into LASS.***

Step 2: After selecting the client’s name from the dropdown list, the inbox will be displayed with the status of the lender’s submission in ‘IPA Review’. See below.

Note: The dropdown box from Step 2 contains all lenders that are assigned to the auditor. When the user clicks the lender’s name, the submission pages for that lender will be displayed after clicking on ‘Search’.

Lender Name

Status

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
IPA Review	1654100007	ANY LOAN INC.	Title II Loan Correspondent	12/31/2001	Not Assigned

Step 3: Click on the ‘IPA Review’ status link.

Step 4: The following statement appears:



Are you the same auditor that conducted the financial statement audit?

Step 5: If you are the same audit firm that completed the financial statement audit of the lender, click the 'Yes' button. If you are **NOT** the same audit firm that completed the financial statement audit of the lender, click the 'No' button.

Note: The form will vary slightly depending on how you answer the above question but the overall objective of the form is the same.

Step 6: After clicking 'Yes' or 'No' the Auditor Procedure page is displayed:

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

We have performed the procedure described in the second paragraph of this report, which was agreed to by [] (the "lender") and the U.S. Department of Housing and Urban Development, solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The lender is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the lender as of and for the year ended [], and have issued our reports thereon dated []. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Financial Data Templates (FDT) dated [], was expressed in relation to the basic financial statements of the lender taken as a whole.

A copy of the financial statement package and the FDT, which includes the auditor's reports, is available in its entirety from the lender. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development.

This report is intended solely for the information and use of the lender and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.

Procedure	UFRS Rule Information	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Statement of Operations and Changes in Retained Earnings and Statement of Cash Flows, and Computation of Adjusted Net Worth Schedule (data elements 111-1390 under the above listed tabs - "Details" links are included)	Financial Data Template	<input type="radio"/>	<input checked="" type="radio"/>
2	Information about opinion on the financial statements, internal control and supplementary report on FDT (data elements G3000-005 - G3000-040 under the financial statements tab - "Details" links are <u>not</u> included)	Report on Basic Financial Statements, Report on Internal Control, Auditor's supplemental report on FDT	<input type="radio"/>	<input checked="" type="radio"/>
3	Information about opinion on compliance and Type of Material Noncompliance (data elements G3000-070 - G3000-083)	Report on Compliance and Schedule of Findings and Questioned Costs	<input type="radio"/>	<input checked="" type="radio"/>
4	Footnotes (data element G3000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
5	Audit Findings (data element G5200-010)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input checked="" type="radio"/>
6	Corrective Action Plan (data element G5300-020)	Corrective Action Plan	<input type="radio"/>	<input checked="" type="radio"/>
III:*				00010
Firm Name:*		Mclean Koehler Sparks & Hammond-Baltimore		
Employer Identification Number:*				520547375
Date:*				<input type="text"/>

Attesting Practitioner's First Name: *	<input type="text"/>
Attesting Practitioner's Middle Name:	<input type="text"/>
Attesting Practitioner's Last Name: *	<input type="text"/>
Attesting Practitioner's Title:	<input type="text"/>
Attesting Practitioner's Telephone Number: *	<input type="text"/> - <input type="text"/> - <input type="text"/>
Attesting Practitioner's Fax Number:	<input type="text"/> - <input type="text"/> - <input type="text"/>
Attesting Practitioner's E-mail Address:	<input type="text"/>
* Required items	

[Complete](#)

Step 7: The auditor is required to fill out all sections of these pages completely.

Step 8: To view the lender’s financial data, click on the ‘Reports’ link at the top of the page. Click on the ‘Financial Data Template Reports’ link from the reports menu. See below.



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

Reports

Click the link for the report you wish to display:

- [Top-Level Financial Statements](#)
- [Financial Data Template Reports](#)
- [Auditor Procedures Report](#)
- [Lender History Report](#)

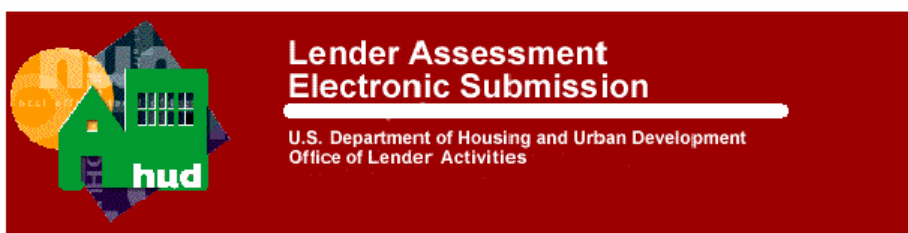
Click here to access the lender’s financial data



Step 9: Compare the numbers listed in the Financial Data Template Reports to those of the hard-copy financial statements.

Step 10: Click the ‘Back to Report Selection’ link at the top of the page.

Step 11: Click the ‘Data Collection Form’ link at the top of the page. Review both the General Information and Financial Statements tabs on the Data Collection Form. See below:



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

Reports

Click the type of report you want displayed.

[Top-Level Financial Statement Reports](#)

[Financial Data Template Reports](#)

[Auditor Procedures Report](#)

[Lender History Report](#)

Click here to view the lenders DCF information

Step 12: Click the 'Back to Report Selection' link at the top of the page.

Step 13: Click the 'Notes & Findings' link at the top of the page to review the lender's Footnotes, and Audit Findings (if necessary) and/or Action Plan (if necessary)

Step 14: Click on the 'Inbox' link at the top of the page. [Inbox](#)

Step 15: Click on the 'IPA Review' status link. [IPA Review](#)

Step 16: Answer the question the same as you did before reviewing the lender's financial data.

Step 17: Fill out all information in the first section of the Auditor Procedures titled 'Independent Accounts Report on Applying Agreed Upon Procedure'. See below.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

We have performed the procedure described in the second paragraph of this report, which was agreed to by [redacted] (the "lender") and the U.S. Department of Housing and Urban Development, solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The lender is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the lender as of and for the year ended [redacted], and have issued our reports thereon dated [redacted]. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Financial Data Templates (FDT) dated [redacted], was expressed in relation to the basic financial statements of the lender taken as a whole.

A copy of the financial statement package and the FDT, which includes the auditor's reports, is available in its entirety from the lender. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development.

This report is intended solely for the information and use of the lender and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.

Step 18: Complete the next section in the Auditor Procedures. Click the radio button underneath the 'Agree' header, if the submission data agrees to the hard-copy financial statements or click the radio button underneath the 'Does Not Agree' header if the submission data does not agree with the hard-copy financial statements. See below.

Note: The 6 Auditor Procedures will default to 'Does Not Agree'.

Procedure	UFRS Rule Information	HARD COPY DOCUMENTS	AGREES	DOES NOT AGREE
1	Balance Sheet, Statement of Operations and Changes in Retained Earnings and Statement of Cash Flows, and Computation of Adjusted Net Worth Schedule (data elements 111-1390 under the above listed tabs - "Details" links are included)	Financial Data Template	<input type="radio"/>	<input checked="" type="radio"/>
2	Information about opinion on the financial statements, internal control and supplementary report on FDT (data elements G3000-005 - G3000-040 under the financial statements tab - "Details" links are <u>not</u> included)	Report on Basic Financial Statements, Report on Internal Control, Auditor's supplemental report on FDT	<input type="radio"/>	<input checked="" type="radio"/>
3	Information about opinion on compliance and Type of Material Noncompliance (data elements G3000-070 - G3000-083)	Report on Compliance and Schedule of Findings and Questioned Costs	<input type="radio"/>	<input checked="" type="radio"/>
4	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	<input type="radio"/>	<input checked="" type="radio"/>
5	Audit Findings (data element G5200-010)	Schedule of Findings and Questioned Costs	<input type="radio"/>	<input checked="" type="radio"/>
6	Corrective Action Plan (data element G5300-020)	Corrective Action Plan	<input type="radio"/>	<input checked="" type="radio"/>

Step 19: Complete the remainder of the information on the Auditor Procedures form.

Note: UII number procedures:

- If you answered 'Yes' to the question in **Step 5**, the UII number on the form is auto-populated and will not need to be filled out.
- If you answered 'No' to the question in **Step 5**, you will need to enter in your UII number and click the 'Search' button to the left of the number. After clicking the search button, the page will refresh and populate the Firm Name and EIN for the auditor. See below.

UII:*	<input type="button" value="Search"/>	<input type="text" value="00000"/>
-------	---------------------------------------	------------------------------------

Search button

UII:*	00100
Firm Name:*	ABC Company
Employer Identification Number:*	132684524

After page reloads (above)

Step 20: Print the Auditor Procedure page after filling in all required fields.

Step 21: Once printed, click the 'Complete' button at the bottom of the page.

Step 22: If you selected 'Agree' for all line items, the following message will appear:

[Inbox](#)

Action Required!
You have Agreed with your lender's submission. Please contact your lender so that they submit their financial information to HUD.

Note: If you selected 'Agree', you **MUST** contact your client and let them know you have agreed and they can now submit the financials to HUD. (For instructions on submitting to HUD, refer to Section 5.12 of this manual.)

Step 23: If you selected 'Does Not Agree' for one or more line items, the following message will appear:

[Inbox](#)

Action Required!
You have Disagreed with your lender's submission. Please contact your lender so that they correct the necessary items and can resubmit their financial information for IPA Review.

Note: if you selected 'Disagree' you **MUST** contact your client and let them know you have disagreed. The lender must correct what you disagreed with and resubmit the financials to the

auditor for review. (For instructions on resubmitting to the IPA, refer to Section 5.11 of this manual) In this scenario, the auditor would need to follow the steps in this section until the auditor agrees.

Step 24: The auditor may view the completed Auditor Procedure Report after the above steps are complete.

Step 25: Click on the 'Reports' link from the inbox.

Step 26: Click on the 'Auditor Procedure Report' link. See below.

[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

Reports | [Auditor Procedures](#)

Click the type of report you want displayed.

[Top-Level Financial Statement Reports](#)

[Financial Data Template Reports](#)

[Auditor Procedures Report](#) ← 

[Lender History Report](#)

[User Guide and System Documentation](#) | [LASS Technical Assistance](#)

Note: The Auditor Procedure Report is only available after the auditor clicks on 'Complete' in the Auditor Procedures section.

Step 27: The Auditor Procedures Report displays. The beginning of the report will resemble the following: (below)



[Back to Report Selection](#)

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

We have performed the procedure described in the second paragraph of this report, which was agreed to by **ABC Company** (the "lender") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The lender is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the lender as of and for the year ended **7/31/01**, and have issued our reports thereon dated **10/01/01**. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Financial Data Templates (FDT) dated **10/01/01**, was expressed in relation to the basic financial statements of the lender taken as a whole.

5.2 Operations & Equity

The Operations & Equity page is used to enter the applicable Operations & Equity information for the current submission. Using your hardcopy financial statements prepared by the auditor, enter the applicable data into the Operations & Equity template.

Step 1: Enter the data on the Operations & Equity page

Balance Sheet	Ops & Equity	Cash Flows	Net Worth	Liquidity
Line Item #	Account Description	Amount	Details	
Revenues:				
701*	Net Loan Administration Income	\$ <input type="text"/>	---	
702*	Gross Interest Income	\$ <input type="text"/>	---	
703	Net Marketing Gain (Loss) on Loans and MBS sold with servicing retained	\$ <input type="text"/>	---	
704	Net Marketing Gain (Loss) on Loans and MBS sold with servicing released including the Servicing Release Premium	\$ <input type="text"/>	---	
705	Net Gain (Loss) on Sales of Servicing Rights	\$ <input type="text"/>	---	
706	Net Gain (Loss) from Servicing Valuations	\$ <input type="text"/>	---	
707	Net Gain (Loss) on Sale of Securities	\$ <input type="text"/>	---	
708	Net Gain (Loss) on Sale of REO	\$ <input type="text"/>	---	
709*	Retail Origination Fees	\$ <input type="text"/>	---	
710*	Other Retail Origination Income	\$ <input type="text"/>	---	
711*	Correspondent and Broker Fee Income	\$ <input type="text"/>	---	
712	FAS 133 Income (Loss)	\$ <input type="text"/>	---	
713	Other Income (Loss) related to	\$ 0	Details	



Partial Template Shown



Note 1: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 2: Do not use commas or decimals when entering values on the Operations & Equity page. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system also rounds decimals to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Once all Operations & Equity data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To save the Operations & Equity page with the data that has been entered, click the  button, and proceed to **Step 3**.
- To reset the Operations & Equity page to the data from the last time it was saved, click the  Pushbutton, and repeat **Step 1**.

Note: The data entered is automatically saved when you click on any tab or link on the Operations & Equity. The Save button does not have to be clicked.

Step 3: The Save button saves the Operations & Equity page with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to step 4.

Step 4: The Operations & Equity page refreshes with the saved data.

Step 5: Click either on the Cash Flows tab or the Cash Flows links at the top and bottom of the page to proceed to the Cash Flows page.

Notes:

The Cash Flows page will only display if you are not a part of a Parent or Subsidiary or if you are a part of a Parent or Subsidiary but issued financial statements independent of the consolidated entity.

*The Cash Flows page will not display if you are a part of a Parent or Subsidiary and **did not** issue financial statements independent of the consolidated entity.*

*For definitions of a Parent or Subsidiary, please refer to **Section 3.0** of this manual.*

5.3 Cash Flows

The Cash Flows page is used to enter the applicable Cash Flows information for the current submission. Using your hardcopy financial statements prepared by the auditor, enter the applicable data into the Cash Flows template.

Notes:

The Cash Flows will only display if you are not a part or a Parent or Subsidiary or if you are a part of a Parent or Subsidiary but issued financial statements independent of the consolidated entity.

The Cash Flows page will not display if you are a part of a Parent or Subsidiary and **did not** issue financial statements independent of the consolidated entity

For definitions of a Parent or Subsidiary, please refer to **Section 3.0** of this manual.

Step 1: Enter all of the data on the Cash Flows page. See below.

Balance Sheet	Ops & Equity	Cash Flows	Net Worth	Liquidity
Line Item #	Account Description	Amount	Details	
Cash Flows from Operating Activities:				
401	Net Income (Loss)	\$ 0	---	
Reconciliation Adjustments:				
402	Depreciation and Amortization	\$	---	
403	Loss (Gain)	\$	---	
404	Undistributed Loss (Earnings) of Affiliates	\$ 0	Details	
405	Deferred Income Tax Provision (Benefit)	\$	---	
406	Provisions for Losses	\$	---	
407	Non-Recurring Items	\$ 0	---	
(Increase) Decrease:				
411	Accounts Receivable	\$	---	
412	Other Current Assets	\$ 0	Details	
413	Due from an Officer, Stockholder or Related Entity	\$	---	
414	Loans Held for Sale	\$	---	
421	Accounts Payable and Accrued Expenses	\$	---	
422	Interest Payable	\$	---	
423	Income Taxes Payable	\$	---	



Partial Template Shown



Note 1: Click the [Line Item Definitions](#) link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 2: Do not use commas or decimals when entering values on the Cash Flows. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system also rounds decimals to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Once all Cash Flows data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To save the Cash Flows with the data that has been entered, click the  button, and proceed to **Step 3**.
- To reset the Cash Flows to the data from the last time it was saved, click the  Pushbutton, and repeat **Step 1**.

Note: The data entered is automatically saved when you click on any tab or link on the Cash Flows page. The Save button does not have to be clicked.

Step 3: The Save button saves the Cash Flows with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to step 4.

Step 4: The Cash Flows page refreshes with the saved data.

Step 5: Click either on the Net Worth tab or the Net Worth links at the top and bottom of the page to proceed to the Net Worth page.

5.4 Net Worth Schedules

Depending on your program type, one of four Net Worth Schedules will appear:

- Title I Non-Supervised;
- Title II Non-Supervised;
- Title I and Title II Non-Supervised;
- Loan Correspondent.

Skip to the section in this document that represents the program type that applies..

5.4.1 Title I Non-Supervised Net Worth Schedule

The Title I Net Worth Schedule is used to reflect the applicable Title I Net Worth Information for the current submission. This schedule does not require data entry; all line items are auto-populated. For example, Line Item 1240: Minimum Net Worth Required is a predetermined amount; lines 500 and 180 are auto-populated from the Balance Sheet, line 1270 is the difference between 500 and 180, etc.

This schedule outlines whether the lender is above or below the Net Worth Program Requirement.

Line Item #	Account Description	Amount
1240	Minimum Net Worth Required	\$250,000
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$27,023,601
180	Less: Unacceptable Assets	\$372
1270	Adjusted Net Worth	\$27,023,229
1280	Adjusted Net Worth ABOVE Program Requirement	\$26,773,229
1290	Adjusted Net Worth BELOW Program Requirement	\$0



*Note: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.*

Step 1: Verify that **Line Items 500 Stockholder's Equity & 180 Less: Unacceptable Assets** that auto-populate from the Balance Sheet are correct.

- If there are no errors, the data will be saved. Proceed to **Step 5**.
- If these Line Items are incorrect, proceed to **Step 2**.

Step 2: Return to the Balance Sheet by clicking the Balance Sheet tab

Step 3: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 4: Return to the Net Worth page by clicking on the Net Worth tab and repeat Step 1.

Step 5: If 500 and 180 are correct, click on the 'Data Collection Form' link at the top of the page and proceed to **Section 5.6 Data Collection Form – General Information** of this manual.

5.4.2 Title II Non-Supervised Net Worth Schedule

The Title II Net Worth Schedule is used to enter the applicable Title II Net Worth Information for the current submission.

The Title II Net Worth Requirement information populates with some predetermined values (i.e. Line Item 1235: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder’s Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). The user must enter values in line items 1201, 1202, 1203, 1221 and 1222 and then click the Save pushbutton. This schedule outlines whether the lender is Above or Below the Net Worth Program Requirement.

Step 1: Enter the data on the Title II Net Worth Schedule.

Balance Sheet Ops & Equity Cash Flows Net Worth Liquidity		
Line Item #	Account Description	Amount
1201*	FHA Servicing Portfolio	\$ <input type="text"/>
Add FHA Originations and FHA Purchases:		
1202*	FHA Originations - Dollar amount of FHA-insured Title II mortgage loan originations during the year under audit	\$ <input type="text"/>
1203*	FHA Purchases - Dollar amount of FHA-insured Title II mortgage loan correspondent purchases during your fiscal year under audit	\$ <input type="text"/>
1205	Subtotal	\$ <input type="text"/>
Subtract FHA Servicing Retained:		
1221*	Dollar amount of FHA-insured Title II mortgage loan originations retained at the fiscal year end under audit	\$ <input type="text"/>
1222*	Dollar amount of FHA-insured Title II mortgage loan correspondent purchases retained at the end of the year under audit	\$ <input type="text"/>
1225	Subtotal	\$ <input type="text"/>
1231	Total	\$ <input type="text"/>
1232	1% of Total	\$ <input type="text"/>
1235	Minimum Net Worth Required	\$ <input type="text"/>
1240	Net Worth Required	\$ <input type="text"/>
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$ 0 <input type="text"/>
180	Less: Unacceptable Assets	\$ 0 <input type="text"/>

Partial Template Shown



*Note 1: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.*

Note 2: Do not use commas or decimals when entering values on the Net Worth. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system also rounds decimals to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Verify that **Line Items 500 Stockholder's Equity & 180 Less: Unacceptable Assets** that auto-populate from the Balance Sheet are correct.



- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 3**.

Step 3: Return to the Balance Sheet by clicking the Balance Sheet Tab.

Step 4: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 5: Return to the Net Worth page by clicking the Net Worth tab and repeat **Step 2**.

Step 6: Once all Net Worth data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To save the Net Worth page with the data that has been entered, click the  button, and proceed to **Step 7**.
- To reset the Net Worth to the data from the last time it was saved, click the  Pushbutton, and repeat **Steps 1 - 6**.

Note: The data entered is automatically saved when you click on any tab or link on the Net Worth page. The Save button does not have to be clicked.

Step 7: The Save button saves the Net Worth with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to **Step 8**.

Step 8: If all lines are correct, the Title II Net Worth Schedule refreshes with the saved data.

Step 9: Click the Liquidity tab or link and proceed to **Section 5.5 Liquidity** of this manual.

5.4.3 Title I & Title II Non-Supervised Net Worth Schedule

The Title I & Title II Net Worth Schedule is used to enter the applicable Title I & Title II Net Worth information for the current submission.

Note: Both of the Title I & Title II Net Worth Requirements display on the same page. However, the Title I and Title II Net Worth Requirements will be evaluated separately.

The Title II Net Worth Requirement information populates with predetermined values (i.e. Line Item 1235: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder’s Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). The user must enter values in line items 1201, 1202, 1203, 1221 and 1222 and then click the Save pushbutton. This schedule outlines whether the lender is Above or Below the Net Worth Program Requirement for the Title II portion of their submission.

The Title I Net Worth Requirement information populates with predetermined values (i.e. Line Item 1340: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 1350: Stockholder’s Equity (Net Worth) per Balance Sheet and Line Item 1360: Less: Adjusted Net Worth).

This schedule outlines whether the lender is above or below the Net Worth Program Requirement for the Title I portion of the submission.

Step 1: Enter the appropriate data on the Title I & Title II Net Worth Schedule. See below.

Balance Sheet			Ops & Equity			Cash Flows			Net Worth			Liquidity		
Line Item #	Account Description	Amount												
TITLE II NON-SUPERVISED LENDER														
1201*	FHA Servicing Portfolio	\$												
Add FHA Originations and FHA Purchases:														
1202*	FHA Originations - Dollar amount of FHA-insured Title II mortgage loan originations during the year under audit	\$												
1203*	FHA Purchases - Dollar amount of FHA-insured Title II mortgage loan correspondent purchases during your fiscal year under audit	\$												
1205	Subtotal	\$	0											
Subtract FHA Servicing Retained:														
1221*	Dollar amount of FHA-insured Title II mortgage loan originations retained at the fiscal year end under audit	\$												
1222*	Dollar amount of FHA-insured Title II mortgage loan correspondent purchases retained at the end of the year under audit	\$												
1225	Subtotal	\$	0											
1231	Total	\$	0											
1232	1% of Total	\$	0											
1235	Minimum Net Worth Required	\$	250,000											
1240	Net Worth Required	\$	250,000											
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$	0											

Partial Template Shown

Note 1: The user only needs to enter data in the Title II portion of the Title I and Title II Net Worth schedule. The Title I portion of the Net Worth schedule does not require data entry.



*Note 2: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.*

Note 3: Do not use commas or decimals when entering values on the Net Worth. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system does not save decimal values; any values entered with decimals will be rounded to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Verify that **Line Items 500 Stockholder's Equity & 180 Less: Unacceptable Assets** that auto-populate from the Balance Sheet are correct.



- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 3**.

Step 3: Return to the Balance Sheet by clicking the Balance Sheet tab or link,

Step 4: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 5: Return to the Net Worth page by clicking on the Net Worth tab and repeat **Step 2**.

Step 6: Once all Net Worth data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To Save the Net Worth page with the data that has been entered, click the  button, and proceed to **Step 7**.
- To Reset the Net Worth to the data from the last time it was saved, click the  Pushbutton, and Repeat **Steps 1 - 6**.

Note: The data entered is automatically saved when you click on any tab or link on the Net Worth. The Save pushbutton does not have to be clicked.

Step 7: The Save button saves the Net Worth page with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on another page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to **Step 8**.

Step 8: The Title I & Title II Net Worth Schedule refreshes with the saved data.

Step 9: Click on the Liquidity tab and proceed to **Section 5.5 – Liquidity**.

5.4.4 Loan Correspondent Net Worth

The Loan Correspondent Net Worth Schedule is used to reflect the applicable Loan Correspondent Net Worth Information for the current submission. This schedule does not require data entry.

The Loan Correspondent Net Worth Requirement information populates with predetermined values (i.e. Line Item 1210: Home Office, Line Item 1211: Number of Branch Offices, and Line Item 1212: Branch Office) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder's Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). This schedule outlines whether the loan correspondent is above or below the Net Worth Program Requirement.

Note 1: All fields in the Loan Correspondent Net Worth Schedule are auto-populated.

Balance Sheet		Ops & Equity	Cash Flows	Net Worth	Liquidity
Line Item #	Account Description	Amount			
1210	Home Office	\$63,000			
Add Additional Net Worth Required for Branch Offices:					
1211	Number of Branch Offices	2			
1212	Branch Office	\$25,000			
1220	Branch Office Subtotal	\$50,000			
1230	Total	\$113,000			
1240	Net Worth Required (Lesser of \$250,000 or Total (Line 1230))	\$113,000			
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$0			
180	Less: Unacceptable Assets	\$0			
1270	Adjusted Net Worth	\$0			
1280	Adjusted Net Worth ABOVE Program Requirement	\$0			
1290	Adjusted Net Worth BELOW Program Requirement	\$113,000			



*Note 2: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.*

Step 1: Verify that **Line Items 500 Stockholder's Equity & 180 Less: Unacceptable Assets** that auto-populate from the Balance Sheet are correct.

- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 2**.

Step 2: Return to the Balance Sheet by clicking the Balance Sheet tab or link,

Step 3: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet and hit Save.

Step 4: Return to the Net Worth page by clicking on the Net Worth tab and repeat **Step 2**.

Step 5: Verify that **Line Item 1211: Number of Branch Offices** is correct.

- If this Line Item is incorrect, contact HUD by email at HSG-lender_approval@hud.gov
- If there are no errors, the data will be saved.

Step 6: For *Title II Loan Correspondents* and *Title I & II Loan Correspondents*, click the Liquidity tab and proceed to **Section 5.5 – Liquidity**. For *Title I Loan Correspondents*, click the Data Collection Form link and proceed to **Section 5.6, Data Collection Form – General Information**.

5.5 Liquidity Schedule

The Liquidity Schedule only applies to *Title II Non-Supervised lenders and Title II Loan Correspondents*. If a Non-Supervised lender or Loan Correspondent has both Title I and Title II statuses, the Title II status will be evaluated against the Liquidity program requirement, but the Title I status will not.

If the Non-Supervised lender or Loan Correspondent is *only* a Title I status, he will not see the Liquidity tab at all.

The Liquidity Schedule is read-only and does not require data entry.

Description: The Liquidity page reflects a lender's compliance with the HUD-FHA Liquidity Requirement for all Title II Non-Supervised lenders or Title II Loan Correspondents. See below.

Line Item #	Account Description	Amount
111	Cash and Cash Equivalents	\$ 0
132	Securities Available for Sale	\$ 0
133	Trading Account Securities	\$ 0
1410	Total Liquid Assets	\$ 0
1270	Adjusted Net Worth	\$ 0
1420	Liquidity Required	\$ 0
1430	Liquidity ABOVE the Program Requirement	\$ 0
1440	Liquidity BELOW the Program Requirement	\$ 0



Note: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Step 1: Verify that **Line Item 1270: Adjusted Net Worth** from the Net Worth Schedule is correct.

- If there are no errors, the data will be saved. Proceed to **Step 5**.
- If the Line Items are incorrect, proceed to **Step 2**.

Step 2: Return to the Net Worth by clicking the Net Worth Tab.

Step 3: Correct the appropriate Line Item (Adjusted Net Worth) on the Net Worth Schedule. This will most likely require changes to the Balance Sheet.

Step 4: Return to the Liquidity page by clicking the Liquidity tab. Repeat **Step 1**.

Step 5: Verify that **Line 111: Cash and Cash Equivalents, Line 132: Securities Available for Sale and Line 133: Trading Account Securities** from the Balance Sheet are correct.

- If there are no errors, the data will be saved. Click on the Data Collection Form link and proceed to **Section 5.6, Data Collection Form – General Information**.
- If the Line Items are incorrect, proceed to **Step 6**.

Step 6: Return to the Balance Sheet by clicking the Balance Sheet Tab.

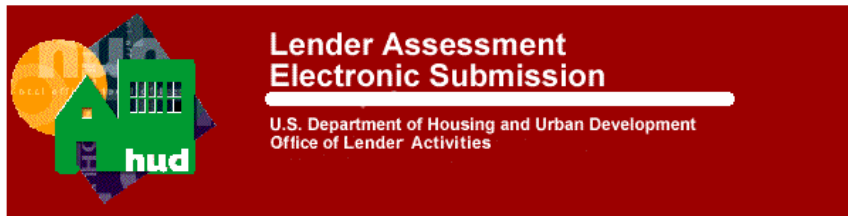
Step 7: Correct the appropriate Line Items (Cash and Cash Equivalents, Securities Available for Sale and Trading Account Securities) on the Balance Sheet.

Step 8: Return to the Liquidity page by clicking the Liquidity Tab. Repeat **Step 5**.

5.6 Data Collection Form - General Information

The General Information page is used to enter the applicable Lender and Financial Statement Auditor information for the current submission.

Note: To access the Data Collection Form (DCF), click on the 'Data Collection Form' link at either the top or bottom of the page. See below.



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

[Reports](#)

Click here to access the DCF

Step 1: After clicking on the 'Data Collection Form' link, fill in all information on the General Information page. See below.

General Information		Financial Statements
Element #	Description	Value
G9000-010	Fiscal Year Ending Date	11/30/2003
G2000-020 *	Audit Period Covered	-SELECT-
G2000-030 *	Audit Period Covered - Months (1-24)	
G9100-010	Lender Name	DAKOTA MORTGAGE CORPORATION
G9100-020	Lender Street Address	FHA MTG DEPT 1110 HIGHWAY 55
G9100-030	Lender City	HASTINGS
G9100-040	Lender State	MN
G9100-050	Lender Zip Code	55033
G2100-010*	Lender Owner/Comptroller First Name	
G2100-020	Lender Owner/Comptroller Middle Initial	
G2100-030*	Lender Owner/Comptroller Last Name	
G2100-040	Lender Owner/Comptroller Title	
G2100-050*	Lender Owner/Comptroller Telephone Number	- -
G2100-060	Lender Owner/Comptroller Extension	
G2100-070	Lender Owner/Comptroller Fax Number	- -
G2100-080	Lender Owner/Comptroller Email	
G2200-009*	UII Number	
G2200-010	Audit Firm Name	

Partial Template Shown



*Note: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.*

Step 2: Line item G2200-009* requires the user to enter in the auditor's Unique IPA Identifier (UII) number.

*Note: If the user does not know the UII number, please contact the auditor to receive this information. The UII number is a **5-digit** number (the number does not begin with the letter I).*

*If the auditor does not know how to attain a UII number, please direct him to **Section 1.2 – Auditor Registration** of this manual.*

Step 3: After completing all of the information on the form, hit 'Save' at the bottom.

Step 4: After hitting 'Save' at the bottom, the page will reload and all of the auditor information will be populated. This information will only populate if the correct UII number is entered. See below.

G2200-010	Audit Firm Name
G2200-020	Audit Firm Street Address Line 1
G2200-030	Audit Firm Street Address Line 2
G2200-040	Audit Firm City
G2200-050	Audit Firm State
G2200-060	Audit Firm Zip Code

Step 5: Once all of the General Information data has been entered, click the 'Save' button at the bottom of the page.

Note: The 'Reset' button at the bottom will reset all of the data entered back to the data after the 'Save' button was last hit.

Step 6: The Save button saves the General Information page with the data that has been entered on the page, assuming that there are no errors in the data.

- If errors are generated, an error message will appear either as a pop-up message or on another page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it. After all errors have been corrected, repeat **Step 5**.
- If there are no errors, the data will be saved. Proceed to **Step 7**.

Note: The data entered is automatically saved when you click on any tab or link on the General Information page. The Save pushbutton does not have to be clicked.

Step 7: The General Information page refreshes with the saved data.

Step 8: Click the 'Financial Statements' tab or the 'Financial Statements' link. The page will refresh and take the user to the Financial Statements page. Proceed to **Section 5.7 – Data Collection Form – Financial Statements.**

5.7 Data Collection Form - Financial Statements

Please note: Three new line items have been added to the Data Collection Form (DCF) Financial Statements page as of June 2005. These three new line items are required and must be completed in order to submit to HUD.

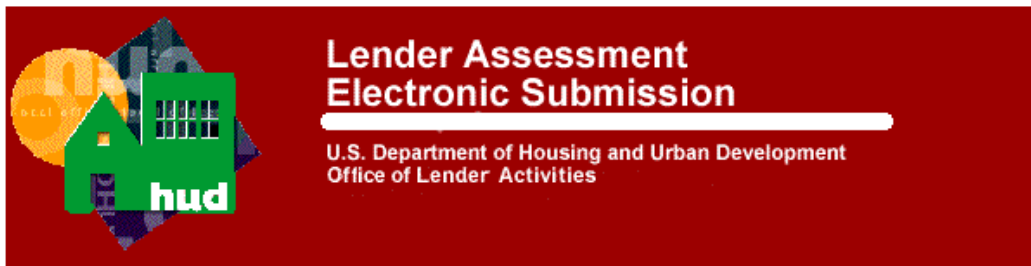
Each of the reports required for the new lines items must contain the auditor's signature and must be on the auditor's official letterhead.

Acceptable file formats for the new line items: JPEG, GIF, RTF, & PDF

See Sections 5.7.1.6, 5.7.1.7, and 5.7.1.8 of this manual for more information on the new line items.

The Financial Statements page on the Data Collection Form (DCF) is used to enter the applicable information regarding the lender's Financial Statements for the current submission.

Step 1: Click on the 'Data Collection Form' link at either the top or bottom of the page. See below.



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

Click here to access the DCF

Step 2: Click on the 'Financial Statements' tab within the DCF. See below.



Step 3: Select the appropriate information for each line item from the dropdown lists on the Financial Statements page. See below.

General Information		Financial Statements	
Element #	Description	Value	Details
G3000-005 *	Financial Statements prepared using GAAP basis	-Select-	---
G3000-006 *	Financial Statement Audit was conducted in accordance with:	-Select-	---
G3000-011 *	Type of Audit Opinion Issued	-Select-	Details
G3000-012 *	Type of SAS 29 Opinion on FDT	-Select-	---
G3000-020 *	"Going Concern" Indicator - explanatory paragraph	-Select-	Details
G3000-030 *	Explanatory paragraph other than going concern	-Select-	Details
G3000-040 *	Reportable Condition and/or Material Weakness Indicator	-Select-	Details
G3000-070 *	Material Non-Compliance Indicator	-Select-	Details
G3000-090 *	Independent Auditor's Report on Financial Statements and Supplemental Information	-Select-	Details
G3000-100 *	Independent Auditor's Report on Internal Controls	-Select-	Details
G3000-110 *	Independent Auditor's Report on Compliance	-Select-	Details

Three new line items



Line Item Definitions

Note 1: Click the [Line Item Definitions](#) link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 2: If you select any of the choices below for the following line items, a details page will immediately display. Refer to **Section 5.7.1 Financial Statements Details** for MORE information on completing the specific Details pages associated with the Financial Statements *PRIOR TO* proceeding to Step 4.

- If "Qualified Opinion" is selected for **Line Item G3000-011 Type of Audit Opinion Issued** the Qualified Opinion Details page automatically displays. Please see **Section 5.7.1.1** of this manual for instructions on completing the Qualified Opinion Details page.

- If “Yes” is selected for **Line Item G3000-020 Going Concern Indicator, Explanatory Paragraph** the Going Concern Indicator Details page automatically displays. Please see **Section 5.7.1.2** of this manual for instructions on completing the Going Concern Indicator Details page.
- If “Yes” is selected for **Line Item G3000-030 Explanatory Paragraph Other Than Going Concern** the Explanatory Paragraph Details page automatically displays. Please see **Section 5.7.1.3** of this manual for instructions on completing the Explanatory Paragraph Details page.
- If “Yes” is selected for **Line Item G3000-040 Reportable Condition and/or Material Weakness Indicator** the Reportable Condition and/or Material Weakness Details page automatically displays. Please see **Section 5.7.1.4** of this manual for instructions on completing the Reportable Condition and/or Material Weakness Details page.
- If “Yes” is selected for **Line Item G3000-070 Material Non-Compliance Indicator** the Material Non-Compliance Details page automatically displays. Please see **Section 5.7.1.5** of this manual for instructions on completing the Material Non-Compliance Details page.
- When “Financial Stmtnts & Supplmntl Info Report” is selected for **Line Item G3000-090 Independent Auditor’s Report on Financial Statements and Supplemental Information** the details page automatically displays. Please see **Section 5.7.1.6** of this manual for instructions on completing the details page.
- When “Auditor’s Report on Internal Controls” is selected for **Line Item G3000-100 Independent Auditor’s Report on Internal Controls** the details page automatically displays. Please see **Section 5.7.1.7** of this manual for instructions on completing the details page.
- When “Auditor’s Report on Compliance” is selected for **Line Item G3000-110 Independent Auditor’s Report on Compliance** see **Section 5.7.1.8** of this manual for instructions on completing the details page.

Step 4: Once all Financial Statements information has been selected, click on ‘Save’ at the bottom of the page.

- To Save the Financial Statements page with the data that has been entered, click the Save button, and proceed to **Step 5**.
- To Reset the Financial Statements Details page with the data from the last time it was saved, click the Reset button, and Repeat **Step 1**.

Step 5: The Save button saves the Financial Statements page with the data that has been entered on the page, assuming that there are no errors in the data.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it. After all errors are fixed, repeat **Step 4**.
- If there are no errors, the data will be saved. Proceed to **Step 6**.

Step 6: The Financial Statements page refreshes with the saved data.

Step 7: Click on the 'Notes & Findings' link and proceed to **Section 5.8 - Notes & Findings**.

5.7.1 Financial Statements Details

5.7.1.1 Qualified Opinion Details - Financial Statements

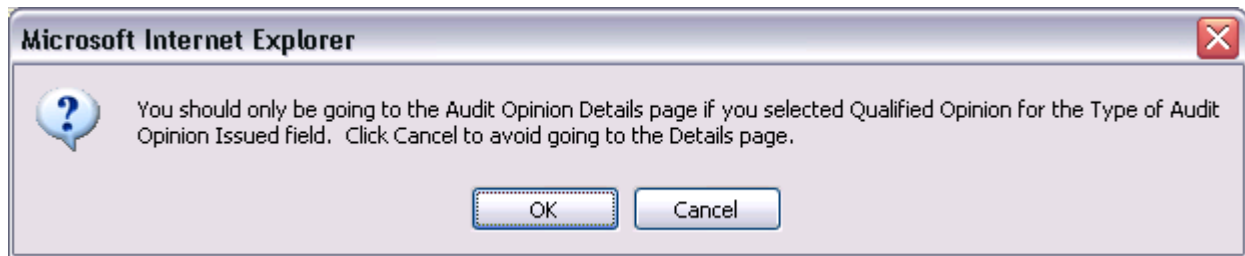
The Qualified Opinion Details - Financial Statements page is used to provide more detailed information for the Financial Statements if Qualified Opinion is selected for Line Item G3000-011 on the Financial Statements page.

*Note: If "Qualified Opinion" is selected for **Line Item G3000-011, Type of Audit Opinion Issued** from the dropdown list, the Qualified Opinion Details page must be completed.*

Step 1: The Qualified Opinion Details page can be accessed as follows:

- Select "Qualified Opinion" from the dropdown list on line G3000-11. After selecting 'Qualified Opinion' from the dropdown list, the page will refresh and automatically take the user to the details page. Proceed to **Step 5**.
- The user can also click the details link to the right of the dropdown list for Line Item G3000-011. Proceed to **Step 2**.

Step 2: If the user chooses to click the 'Details' link next to line item G3000-11, a popup box will be generated stating the following: (See below)



Step 3: To continue to the Qualified Opinion Details page, click on the 'OK' button in the pop-up box. Proceed to **Step 5**.

Step 4: To cancel the operation, click the 'Cancel' button. The user is brought back to the Financial Statements page. Select an option *other than* 'Qualified Opinion' in the dropdown list for **Line Item G3000-011 Type of Audit Opinion Issued**.

Step 5: (Picking up from Step 1 above) The Qualified Opinion page is displayed. See below.

Qualified Opinion Details | [Back to Financial Statements](#)

Element #	Account Description	Occurrence
GAAS - Scope Limitations		
G3200-010	Scope - Imposed by Management	<input type="checkbox"/>
G3200-020	Scope - Imposed by Circumstance	<input type="checkbox"/>
GAAP		
G3300-010	Change in Accounting Principle	<input type="checkbox"/>
G3300-020	Change in Accounting Estimate	<input type="checkbox"/>
G3300-030	Change in Accounting Method	<input type="checkbox"/>
G3300-040	Departure from GAAP - Exclusion of alternative accounting for an account or group of accounts	<input type="checkbox"/>
G3300-050	Departure from GAAP - Inconsistently Applied GAAP	<input type="checkbox"/>
G3300-060	Departure from GAAP - Omissions/Inadequate Disclosure	<input type="checkbox"/>
G3400-010	Qualified - Indicator - Accounting Principles Used Caused the Financial statements to be Materially Misstated	<input type="checkbox"/>
G3400-020	Qualified - Inadequate Records Indicator	<input type="checkbox"/>

Step 6: Click on the Occurrence Checkbox(es) located to the right of the Qualified Opinion descriptions that explain why a Qualified Opinion was issued on the Audited Financial Statements.

Note: Click all checkboxes that apply. At least one checkbox must be checked if you selected "Qualified Opinion" for Line Item G3000-011.

Step 7: To uncheck a checkbox, click on the Occurrence Checkbox that currently contains a check and the check will disappear.

Step 8: Once all of the Qualified Opinion data has been entered, click the 'Save' button at the bottom of the page.

Note: The 'Reset' button at the bottom will reset all of the data entered back to the data after the 'Save' button was last hit.

Step 9: The Save button saves the Qualified Opinion page with the data that has been entered on the page, assuming that there are no errors in the data.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it. After all errors are fixed, repeat **Step 8**.

- If there are no errors, the data will be saved. Proceed to **Step 10**.

Step 10: Click the 'Back to Financial Statements' link at the top of the page.

Qualified Opinion Details | [Back to Financial Statements](#)

Step 11: The Financial Statements page will be displayed. Return to **Section 5.7, Financial Statements** to continue with the Financial Statements page.

5.7.1.2 Going Concern Indicator Details - Financial Statements

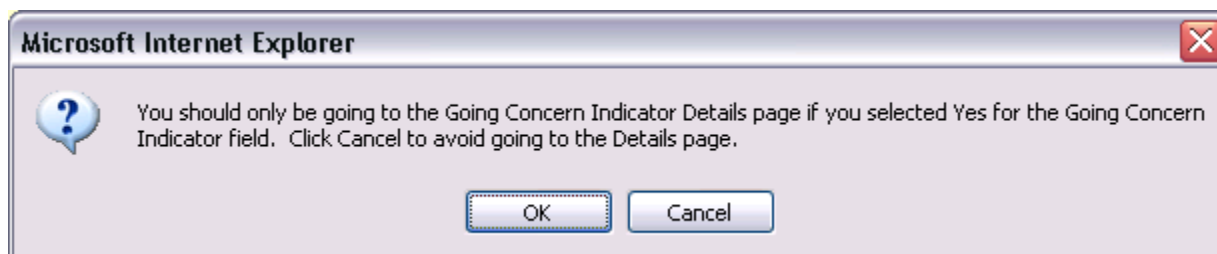
The Going Concern Indicator Details - Financial Statements page is used to provide more detailed information for the Financial Statements if "Yes" is selected for Line Item G3000-020 Going Concern Indicator on the Financial Statements page.

Note: If "Yes" is selected for Line Item G3000-020, Going Concern Indicator - Explanatory Paragraph from the dropdown list, the Going Concern Indicator Details page must be completed.

Step 1: The Going Concern Indicator Details page can be accessed as follows:

- Select 'Yes' from the dropdown list on line G3000-020. After selecting 'Yes' from the dropdown list, the page will reload and automatically take the user to the details page. Proceed to **Step 5**.
- The user can also click the details link to the right of the dropdown list for Line Item G3000-020. Proceed to **Step 2**.

Step 2: When the Going Concern Indicator Details page is accessed using the *Details* link, the following pop-up message appears to confirm the action:



Step 3: To continue to the Going Concern Indicator Details page, click on the 'OK' button in the pop-up box. Proceed to **Step 5**.

Step 4: To cancel the operation, click the 'Cancel' button. The user is brought back to the Financial Statements page. Select 'No' in the dropdown list for **Line Item G3000-020 Going Concern Indicator - Explanatory Paragraph**.

Step 5: If the user selected 'OK' in the pop-up message or if the user was brought to the details page automatically after selecting 'Yes' (Step 1 above), the Going Concern Indicator Details page will be displayed. See below.

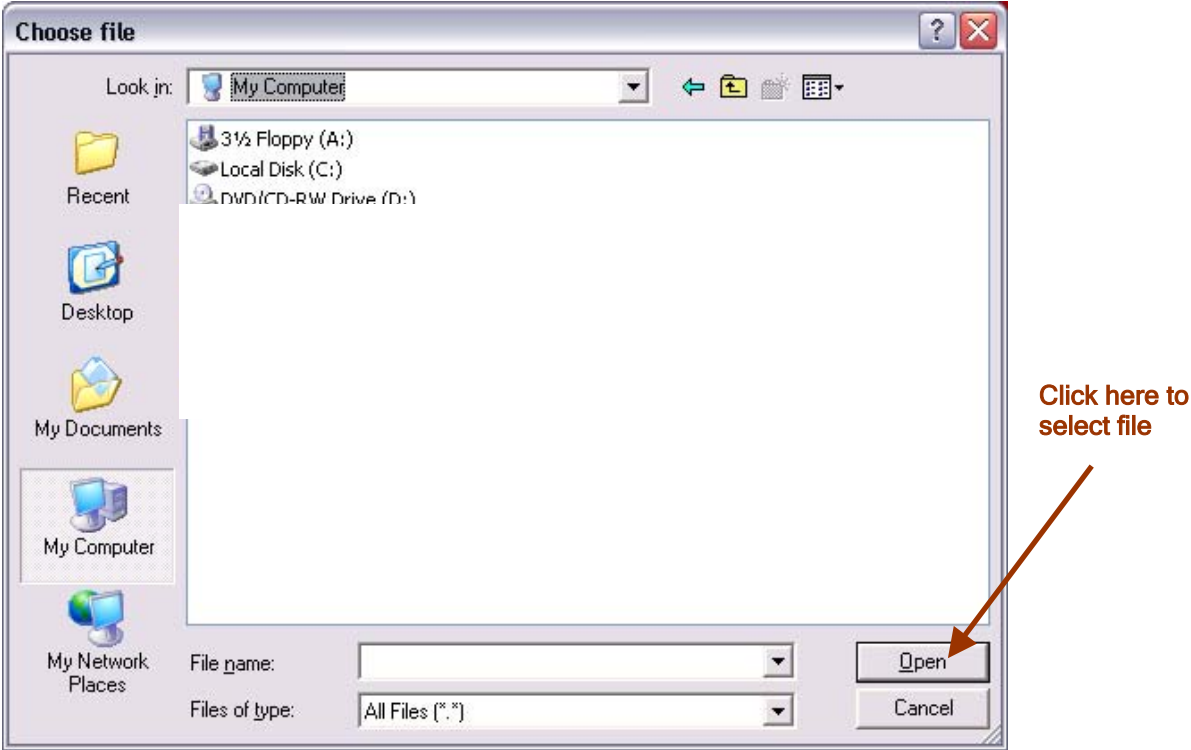
Going Concern Indicator | [Back to Financial Statements](#)

Element #	Account Description	Value	Details
G3000-091	Going Concern Indicator - explanatory paragraph	<input type="text"/> <input type="button" value="Browse..."/>	No File Uploaded

Step 6: The user must attach a file on this page. To attach a file, click the 'Browse' button to locate the file that must be attached. A pop-up box will be displayed so the user may locate the file.

Note: All attachments MUST be in Rich Text Format (.rtf) or they will not attach.

Step 7: Once the file has been located, click the 'Open' button in the pop-up box. See below.



Step 8: After selecting 'Open' the pop-up box will close and the name and path of the file will display in the 'Value' window. See below.

File name

Going Concern Indicator | [Back to Financial Statements](#)

Element #	Account Description	Value	Details
G3000-091	Going Concern Indicator - explanatory paragraph	C:\Documents a <input type="button" value="Browse..."/>	No File Uploaded

Step 9: Click on the 'Attach File' button at the bottom of the page. See image above.

Step 10: If the upload is successful, the following screen appears:



File has successfully been uploaded.

[Return to Form](#)

Step 11: Click the 'Return to Form' link in the successful message to return to the Going Concern Indicator Details page. Proceed to **Step 15**.

Step 12: If the upload is unsuccessful, the following screen appears:

[Return to Form](#)

Error Messages:
Invalid File.
The attachment for line item G3000-021, Going Concern Indicator - explanatory paragraph must be in .rtf file format.
*If you must convert the file to .rtf format, open the file in the word processing application and "save as" rich text file (rtf).
**Also check to make sure that you correctly typed in the filename. To ensure that the filename is correct, use the "browse" button to locate the file and attach.

Step 13: Click the 'Return to Form' link at the top of the page to return to the Going Concern Indicator Details page.

Note: The following items could have caused the error:

- *The file was not in Rich Text Format (.rtf)*
- *The file name was too long.*
- *The file name contained a foreign character such as '#'*

Step 14: Fix any of the above errors and repeat **Steps 6 - 11** of this section. Once the file attaches without errors, proceed to the next step.

Step 15: The Going Concern Indicator Details page will now show the empty 'Value' box and the 'Open File' link will appear in the 'Details' column. This means that the file was successfully uploaded. The user may click on the 'Open File' link to view the attachment.

Step 16: From the Going Concern Indicator Details page, click the 'Back to Financial Statements' link to return to the form.

Step 17: Return to **Section 5.7 Financial Statements** in this User's Manual to finish the Financial Statements.

5.7.1.3 Explanatory Paragraph Other Than Going Concern Details - Financial Statements

The Explanatory Paragraph Other Than Going Concern Details - Financial Statements page is used to provide more detailed information for the Financial Statements if "Yes" is selected for Line Item G3000-030 Explanatory Paragraph Other Than Going Concern on the Financial Statements page.

Step 1: If 'Yes' is selected for line G3000-030 **Explanatory Paragraph Other Than Going Concern Details**, repeat **Steps 1 - 17** from the previous section (5.7.1.2)

5.7.1.4 Reportable Conditions and/or Material Weakness Details - Financial Statements

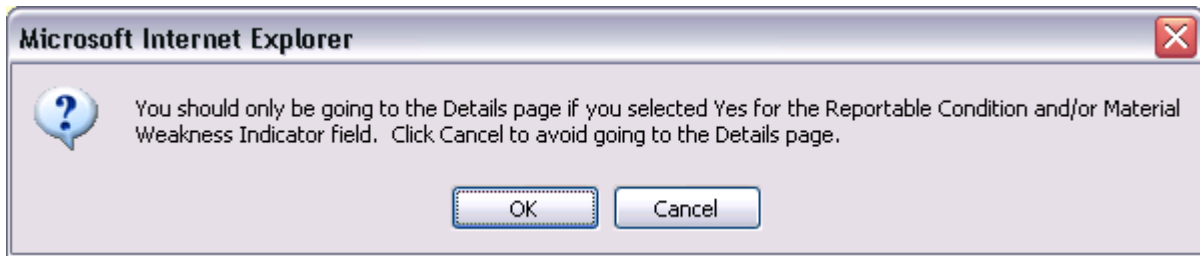
The Reportable Condition and/or Material Weakness Details - Financial Statements page is used to provide more detailed information for the Financial Statements if "Yes" is selected for Line Item G3000-040 Reportable Condition and/or Material Weakness on the Financial Statements page.

*Note: If "Yes" is selected for **Line Item G3000-040 Reportable Conditions and/or Material Weakness Indicator** from the dropdown list, the **Reportable Conditions and/or Material Weakness Details** page must be completed.*

Step 1: The Reportable Conditions and/or Material Weakness Details page can be accessed as follows:

- Select 'Yes' from the dropdown list on line G3000-040. After selecting 'Yes' from the dropdown list, the page will reload and automatically take the user to the details page. Proceed to **Step 6**.
- The user can also click the details link to the right of the dropdown list for Line Item G3000-040. Proceed to **Step 2**.

Step 2: When the Reportable Conditions and/or Material Weakness Details page is accessed using the *Details* link, the following pop-up message appears to confirm the action:



Step 3: To continue to the Reportable Conditions and/or Material Weakness Details page, click on the 'OK' button in the pop-up box. Proceed to **Step 6**.

Step 4: To cancel the operation, click the 'Cancel' button. Select "No" in the dropdown list for **Line Item G3000-040, Reportable Conditions and/or Material Weakness**.

Step 5: Return to **Section 5.7, Financial Statements** in this User's Manual.

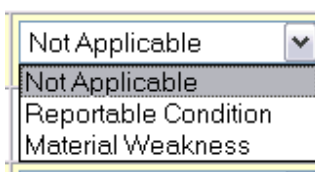
Step 6: The Reportable Conditions and/or Material Weakness Details page appears. See below.

Reportable Conditions and/or Material Weakness Details | [Back to Financial Statements](#)

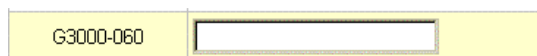
Element #	Account Description	Value
Deficiencies in Internal Control design:		
G3000-041	Inadequate overall internal control design	Not Applicable ▼
G3000-042	Absence of appropriate segregation of duties consistent with appropriate control objectives	Not Applicable ▼
G3000-043	Absence of appropriate reviews and approvals of transactions, accounting entries, or system output	Not Applicable ▼
G3000-044	Inadequate procedures for appropriately assessing and applying accounting principles	Not Applicable ▼
G3000-045	Inadequate provisions for the safeguarding of assets	Not Applicable ▼
G3000-046	Absence of other controls considered appropriate for the type and level of transaction activity	Not Applicable ▼
G3000-047	Evidence that a system fails to provide complete and accurate output that is consistent with objectives and current needs because of design flaws.	Not Applicable ▼
Failures in the Operation of Internal Control:		
G3000-050	Evidence of failure of identified controls in preventing or detecting misstatement of accounting information	Not Applicable ▼
G3000-051	Evidence that a system fails to provide complete and accurate output consistent with the entity's control objectives because of the misapplication of controls	Not Applicable ▼
G3000-052	Evidence of failure of safeguard assets from loss, damage or misappropriation	Not Applicable ▼

Partial Template Shown

Step 7: For each of the Reportable Conditions and/or Material Weakness descriptions listed, select one of the dropdown items from the Value dropdown list. Select either Not Applicable, Reportable Condition, or Material Weakness for each line item. See below:



*Note 1: If the Reportable Conditions and/or Material Weakness reason for your Financial Statements is not listed in the options, use **Line Item G3000-060** to enter the reason. Then, select the appropriate description from the Value dropdown list to the right of the Data Box (as explained in **Step 7**).*



Note 2: You must select "Reportable Condition" or "Material Weakness" for at least one of the line items on the Reportable Conditions and/or Material Weakness page if 'Yes' is selected for Line Item G3000-040, Reportable Conditions and/or Material Weakness.

Step 8: Once all of the *Reportable Conditions and/or Material Weakness* data has been entered, click the 'Save' button at the bottom of the page.

Note: The 'Reset' button at the bottom will reset all of the data entered back to the data after the 'Save' button was last hit.

Step 9: The Save button saves the *Reportable Conditions and/or Material Weakness Details* page with the data that has been entered on the page, assuming that there are no errors in the data.

- If errors are generated, an error message will appear either as a pop-up message or on another page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it. After all errors are fixed, repeat **Step 9**.
- If there are no errors, the data will be saved. Proceed to **Step 10**.

Step 10: The *Reportable Conditions and/or Material Weakness Details* page refreshes with the saved data.

Step 11: Click the 'Back to Financials Statements' link at the top of the page.

Step 12: The Financial Statements page will be displayed. Return to **Section 5.7 - Financial Statements** to continue with the Financial Statements page.

5.7.1.5 Material Non-Compliance Indicator Details - Financial Statements

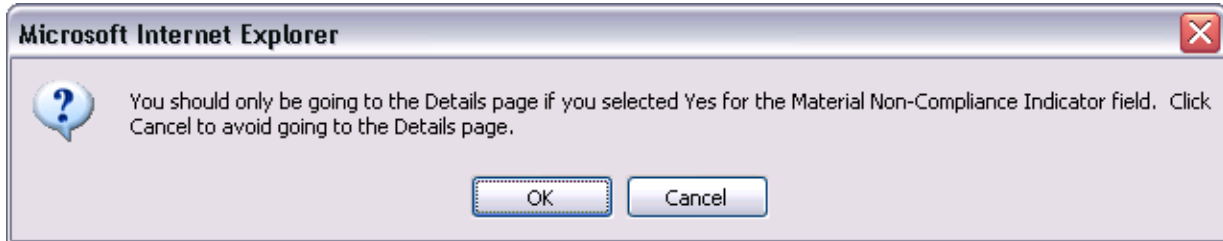
The Material Non-Compliance Indicator Details - Financial Statements page is used to provide more detailed information for the Financial Statements if "Yes" is selected for Line Item G3000-070 Material Non-Compliance Indicator on the Financial Statements page.

*Note: If "Yes" is selected for **Line Item G3000-070, Material Non-Compliance** from the dropdown list, the *Material Non-Compliance Indicator Details* page must be completed.*

Step 1: The Material Non-Compliance Indicator Details page can be accessed as follows:

- Select 'Yes' from the dropdown list on line G3000-070. After selecting 'Yes' from the dropdown list, the page will reload and automatically take the user to the details page. Proceed to **Step 6**.
- The user can also click the details link to the right of the dropdown list for Line Item G3000-040. Proceed to **Step 2**.

Step 2: When the Material Non-Compliance Indicator Details page is accessed using the *Details* link, the following pop-up message appears to confirm the action:



Step 3: To continue to the Material Non-Compliance Indicator Details page, click on the 'OK' button in the pop-up box. Proceed to **Step 6**.

Step 4: To cancel the operation, click the 'Cancel' button. Select "No" in the dropdown list for **Line Item G3000-070 Material Non-Compliance Indicator**.

Step 5: Return to **Section 5.7, Financial Statements** in this User's Manual.

Step 6: The Material Non-Compliance Indicator Details page appears. See below.

Material Non-Compliance Details | [Back to Financial Statements](#)

Element #	Account Description	Value
G3000-071	Branch Office Operations	<input type="checkbox"/>
G3000-072	Loan Origination	<input type="checkbox"/>
G3000-073	Loan Disbursement	<input type="checkbox"/>
G3000-074	Loan Servicing	<input type="checkbox"/>
G3000-075	Eligible Fees and Charges	<input type="checkbox"/>
G3000-076	Federal Financial Reports	<input type="checkbox"/>
G3000-077	Financial Approval Requirements	<input type="checkbox"/>
G3000-078	Quality Control Plan	<input type="checkbox"/>
G3000-079	Escrow Accounts	<input type="checkbox"/>
G3000-080	Section 235 Assistance Payments	<input type="checkbox"/>
G3000-081	Federal Financial & Activity Reports	<input type="checkbox"/>
G3000-082	Kickbacks	<input type="checkbox"/>
G3000-083	Mortgagee Approval Requirements	<input type="checkbox"/>
G3000-084	<input type="text"/>	<input type="checkbox"/>

Step 7: Click on the Value Checkbox(es) located to the right of the Material Non-Compliance Indicator descriptions that explains why there was a Material Non-Compliance finding was issued on the Audited Financial Statements. Upon clicking a Value Checkbox, it will contain a check and appear as follows: .

Note: Click all checkboxes that apply. At least one checkbox must be checked if you selected "Yes" for Line Item G3000-070, Material Non-Compliance Indicator.

Step 8: To uncheck a checkbox, click on the Value Checkbox that currently contains a check and the check will disappear. The checkbox will look like the following: .

*Note: If the Material Non-Compliance reason for your Financial Statements is not listed in the options, use **Line Item G3000-084** (See below) to enter the reason. Then, click on the Value Checkbox to the right of the Data Box (as explained in **Step 7**).*

G3000-084	
-----------	--

Step 9: Once all of the *Material Non-Compliance Indicator* data has been entered, click the 'Save' button at the bottom of the page.

Step 10: The Save button saves the *Material Non-Compliance Indicator* page with the data that has been entered on the page, assuming that there are no errors in the data.

- If errors are generated, an error message will appear either as a pop-up message or on another page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it. After all errors are fixed, repeat **Step 10**.
- If there are no errors, the data will be saved. Proceed to **Step 11**.

Step 11: Click the 'Back to Financial Statements' link.

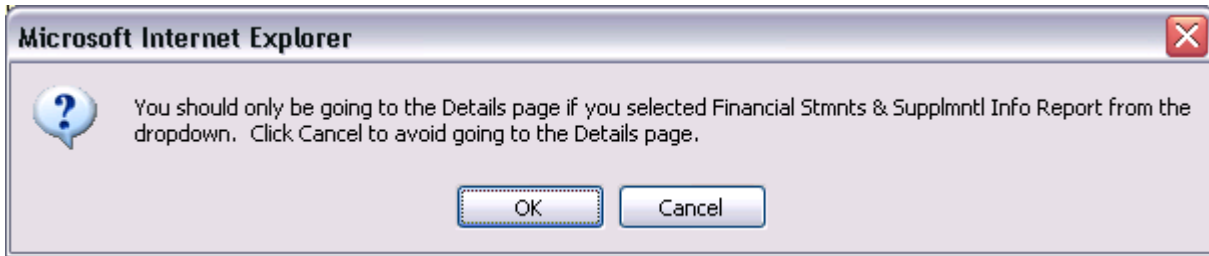
Step 12: The Financial Statements page will be displayed.

5.7.1.6 Financial Statements and Supplemental Information Details

Step 1: The Financial Statements and Supplemental Information Details page can be accessed as follows:

- Select "Financial Stmtnts & Supplmntl Info Report " from the dropdown list on line G3000-090. After selecting "Financial Stmtnts & Supplmntl Info Report " from the dropdown list, the page will reload and automatically take the user to the details page. Proceed to **Step 5**.
- The user can also click the details link to the right of the dropdown list for Line Item G3000-090. Proceed to **Step 2**.

Step 2: When the Details page is accessed using the *Details* link, the following pop-up message appears to confirm the action:



Step 3: To continue to the Financial Statements and Supplemental Information Details page, click on the 'OK' button in the pop-up box. Proceed to **Step 5**.

Step 4: To cancel the operation, click the 'Cancel' button. The user is brought back to the Financial Statements page.

Step 5: If the user selected 'OK' in the pop-up message or if the user was brought to the details page automatically after selecting "Financial Stmtnts & Supplmntl Info Report " (Step 1 above), the Financial Statements and Supplemental Information Details page will be displayed. See below:



Lender Number: 7794500000
Lender Name: AMTRUST MORTGAGE CORPORATION
Fiscal Year End: 11/30/2004
Program Type: Title II Non-Supervised Parent-Subsidiary

Instructions:
 Please attach the auditor's opinion on the basic financial statements and the auditor's opinion on accompanying supplemental information required by HUD, stating if the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The attachment must be on the auditor's official letterhead and bear the auditor's signature. The attachment must be attached in one of the following file formats: .rtf, .pdf, .gif, .jpg.

Financial Statements and Supplemental Information Details | [Back to Financial Statements](#)

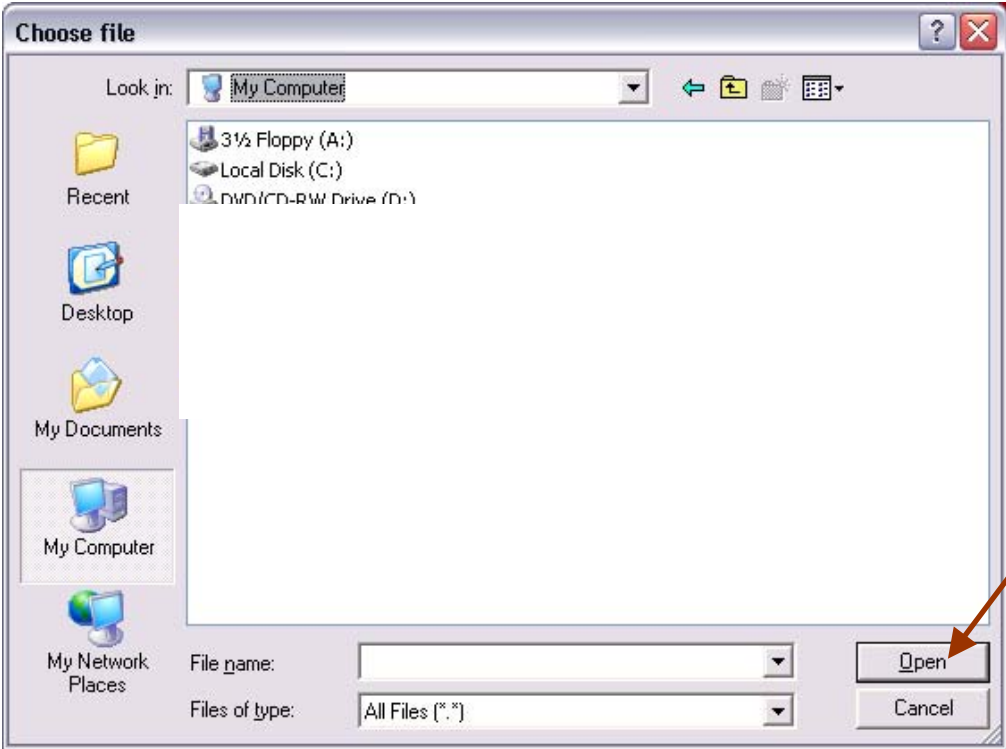
Element #	Account Description	Value	Details
G3000-093	Independent Auditor's Report on Financial Statements and Supplemental Information	<input type="text"/> <input type="button" value="Browse..."/>	No File Uploaded

[User Guide and System Documentation](#) | [LASS Technical Assistance](#)

Step 6: The user must attach a file on this page. To attach a file, click the 'Browse' button to locate the file that must be attached. A pop-up box will be displayed so the user may locate the file.

Note: All attachments MUST be in PDF, JPG, GIF, or Rich Text Format (.rtf) or the attachment will fail.

Step 7: Once the file has been located, click the 'Open' button in the pop-up box. See below.



Step 8: After selecting 'Open' the pop-up box will close and the name and path of the file will display in the 'Value' window. See below.

Going Concern Indicator | [Back to Financial Statements](#)

Element #	Account Description	Value	Details
G3000-091	Going Concern Indicator - explanatory paragraph	C:\Documents a <input type="button" value="Browse..."/>	No File Uploaded

File name

Step 9: Click on the 'Attach File' button at the bottom of the page. See image above.

Step 10: If the upload is successful, the following screen appears:



File has successfully been uploaded.

[Return to Form](#)

Step 11: Click the 'Return to Form' link in the successful message to return to the Financial Statements and Supplemental Information Details page. Proceed to **Step 15**.

Step 12: If the upload is unsuccessful, the following screen appears:

[Return to Form](#)

Error Messages:
Invalid File.
The attachment for line item G3000-093, Independent Auditor's Report on Financial Statements and Supplemental Information, must be in .rtf, .pdf, .gif, .jpg file format.
**Also check to make sure that you correctly typed in the filename. To ensure that the filename is correct, use the "browse" button to locate the file and attach.

Step 13: Click the 'Return to Form' link at the top of the page to return to the Financial Statements and Supplemental Information Details page.

Note: The following items could have caused the error:

- The file was not a PDF, GIF, JPG, or Rich Text Format (.rtf) file
- The file name was too long.
- The file name contained a foreign character such as '#'

Step 14: Fix any of the above errors and repeat **Steps 6 - 11** of this section. Once the file attaches without errors, proceed to the next step.

Step 15: The Financial Statements and Supplemental Information Details page will now show the empty 'Value' box and the 'Open File' link will appear in the 'Details' column. This means that the file was successfully uploaded. The user may click on the 'Open File' link to view the attachment.

Step 16: From the Financial Statements and Supplemental Information Details page, click the 'Back to Financial Statements' link to return to the form.

Step 17: Proceed to **Section 5.7.1.7** in this User's Manual to finish the Financial Statements.

5.7.1.7 Internal Controls Details

Step 1: When "Auditor's Report on Internal Controls" is selected for line G3000-100, repeat **Steps 1 - 16** from the previous section (5.7.1.6)

Step 2: After completing Steps 1 - 16, proceed to **Section 5.7.1.8** in this User's Manual to finish the Financial Statements.

5.7.1.8 Compliance Details

Step 1: When "Auditor's Report on Compliance" is selected for line G3000-110, repeat **Steps 1 - 16** from Section 5.7.1.6

Step 2: After completing Steps 1 - 16, refer back to Step 4 in **Section 5.7** of this User's Manual to finish the Financial Statements.

5.8 Notes & Findings

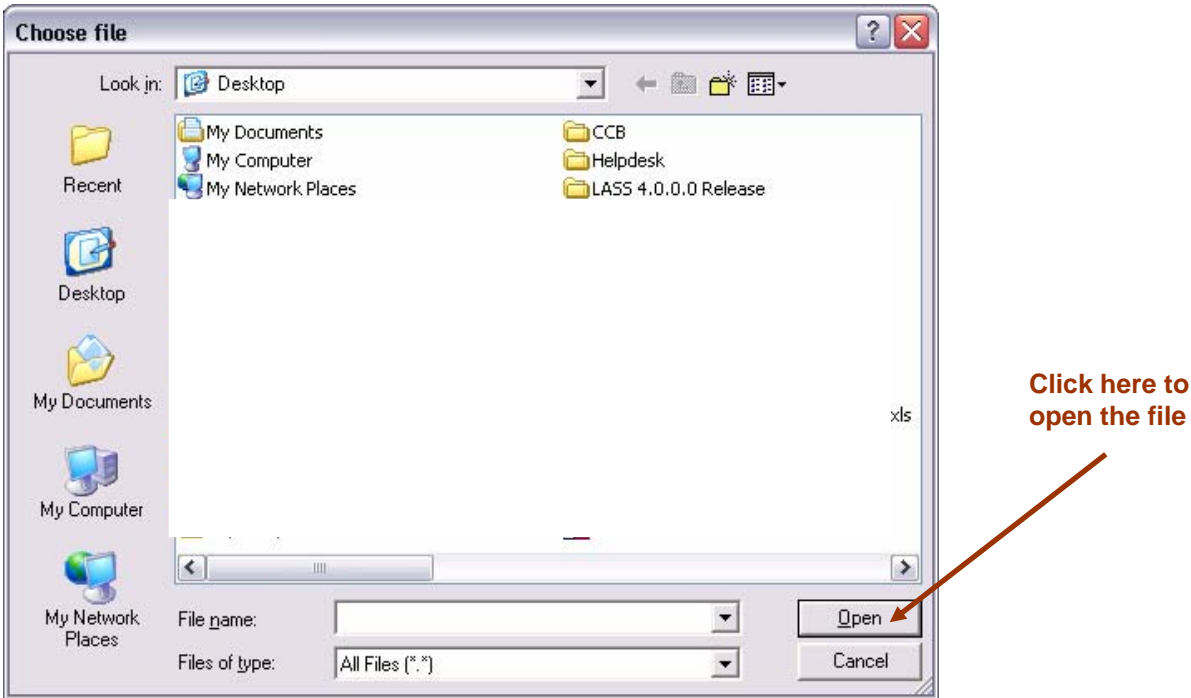
5.8.1 Footnotes

The Footnotes page is used to attach the Footnotes to the audited financial statements as an .rtf file for review with the current submission. Footnotes must be submitted.

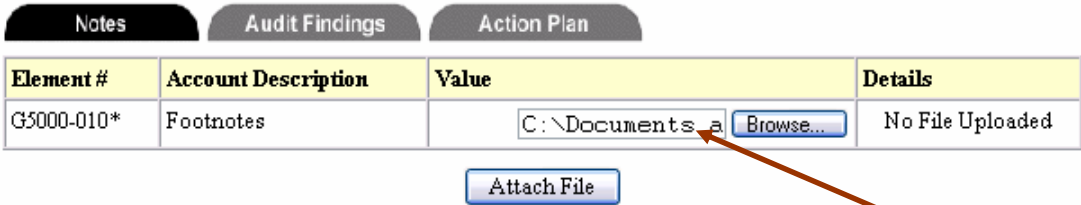
Step 1: Login to LASS and open the submission. Once in the submission, click on the 'Notes & Findings' link at the top of the page.

Step 2: Notes & Findings page will be displayed defaulting to the 'Notes' tab.

Step 3: Click on the 'Browse' button and select the file from the pop-up box. Once the file is selected, click on 'Open' button in the pop-up box. See below.



Step 4: Once the file is selected, the file name and path will be displayed in the 'Value' field. See below.



Step 5: Click the 'Attach File' button at the bottom of the screen.

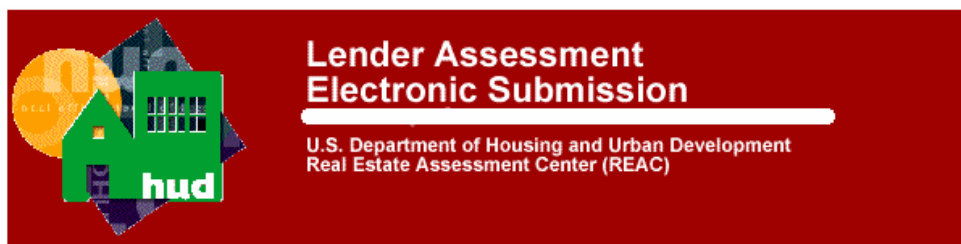
- If the attachment is successful, the following message is displayed:



File has successfully been uploaded.

[Return to Form](#)

- If the attachment was not successful, the following message will be displayed:



Invalid File.

The attachment for line item G5000-010, Footnotes must be in .rtf file format.

Use the back button on your browser to return to the previous page and reload the file.

****If you must convert the file to .rtf format, open the file in the word processing application and "save as" rich text file (rtf).**

****Also check to make sure that you correctly typed in the filename. To ensure that the filename is correct, use the "browse" button to locate the file and attach.**

Step 6: If the invalid file message is displayed, click the 'Back' button in your browser and try to reattach the file.

Step 7: Once the file is attached, proceed to **Section 5.8.2 Audit Findings.**

5.8.2 Audit Findings

The Audit Findings page is used to attach Current and Prior Year Audit Findings as an .rtf file for review with the current submission. Audit Findings only need to be attached if “Yes” is selected for either Line Item G3000-040: Reportable Condition and/or Material Weakness Indicator or Line Item G3000-070: Material Non-Compliance Indicator.

Notes **Audit Findings** Action Plan

Element #	Account Description	Value	Details
G5200-010	Audit Findings	<input type="text"/> Browse...	No File Uploaded

Attach File

Note: To attach ‘Audit Findings’, please follow Steps 2 – 6 from the previous section (Footnotes)

5.8.3 Action Plan

The Action Plan page is used to attach a Corrective Action Plan as an .rtf file for review with the current submission. An Action Plan only needs to be attached if “Yes” is selected for either Line Item G3000-040: Reportable Condition and/or Material Weakness Indicator or Line Item G3000-070: Material Non-Compliance Indicator.

Notes Audit Findings **Action Plan**

Element #	Account Description	Value	Details
G5200-020	Action Plan	<input type="text"/> Browse...	No File Uploaded

Attach File

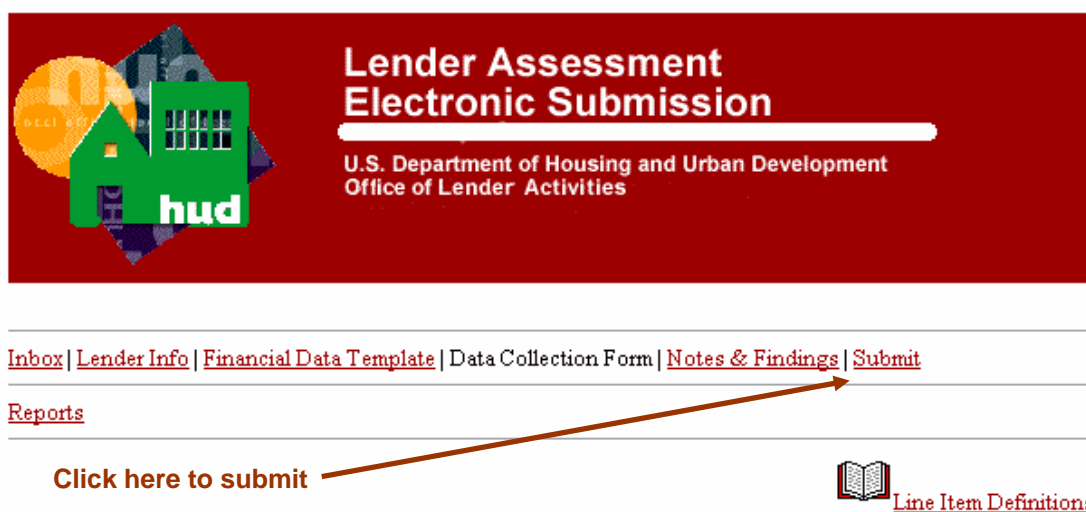
Note: To attach ‘Action Plan’, please follow Steps 2 – 6 from the previous section (Footnotes)

After the user has attached all applicable documents to the Notes & Findings section, proceed to **Section 5.9 – Submit to IPA**

5.9 Submit to IPA for Review


The Submit page is used to validate the data entered by the lender. Once a lender's submission data has been successfully validated, the lender can submit their data to the IPA for Review.

Step 1: Access the LASS submission and click on the 'Submit' button at the top of the page.



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

[Reports](#)

Click here to submit  [Line Item Definitions](#)

Step 2: Submit page will be displayed. See below.

[Submission Completeness Check](#)

CERTIFICATION STATEMENT

This is to certify that to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDT, DCF, and Notes & Findings - is accurate and complete for the period described on data element lines G9000-010, G2000-020, and G2000-030. By selecting Submit, I declare that the foregoing is true and correct.

Line Item	Account Description	Total
200	Total Assets	\$0
600	Total Liabilities and Equity	\$0
700	Total Revenue	\$0
900	Total Expenses	\$0
1000	Net Income (Loss)	\$0
1240	Net Worth Required	\$250,000
1270	Adjusted Net Worth	\$0

[Submit Financial Data](#)

Step 3: Read the 'Certification Statement' completely. Verify all information is correct. If information is not correct, go back to the appropriate page and fix any data. See below.

CERTIFICATION STATEMENT

This is to certify that to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDT, DCF, and Notes & Findings - is accurate and complete for the period described on data element lines G9000-010, G2000-020, and G2000-030. By selecting Submit, I declare that the foregoing is true and correct.

Line Item	Account Description	Total
200	Total Assets	\$0
600	Total Liabilities and Equity	\$0
700	Total Revenue	\$0
900	Total Expenses	\$0
1000	Net Income (Loss)	\$0
1240	Net Worth Required	\$250,000
1270	Adjusted Net Worth	\$0

Read

Step 4: After all information has been corrected or verified, click on the ‘Submission Completeness Check’ button. This will run an automatic validation check to ensure the submitter has correctly filled out the financial pages.

CERTIFICATION STATEMENT

This is to certify that to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDT, DCF, and Notes & Findings - is accurate and complete for the period described on data element lines G9000-010, G2000-020, and G2000-030. By selecting Submit, I declare that the foregoing is true and correct.

Line Item	Account Description	Total
200	Total Assets	\$0
600	Total Liabilities and Equity	\$0
700	Total Revenue	\$0
900	Total Expenses	\$0
1000	Net Income (Loss)	\$0
1240	Net Worth Required	\$250,000
1270	Adjusted Net Worth	\$0

Click here

Step 5:

- If no errors are generated after the Submission Completeness Check has been executed, proceed to **Step 7**.
- If errors are generated, the page will load and display a complete list of all of the errors and where within the form the errors reside. If error page is generated, go to **Step 6**.

Step 6: Go back to the page where the error was generated, correct all errors and repeat **Step 5** until no errors are generated.

Step 7: Once the user runs the Submission Completeness Check without any errors click on the ‘Submit Financial Data’ button at the bottom of the page. See below.

CERTIFICATION STATEMENT

This is to certify that to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDT, DCF, and Notes & Findings - is accurate and complete for the period described on data element lines G9000-010, G2000-020, and G2000-030. By selecting Submit, I declare that the foregoing is true and correct.

Line Item	Account Description	Total
200	Total Assets	\$0
600	Total Liabilities and Equity	\$0
700	Total Revenue	\$0
900	Total Expenses	\$0
1000	Net Income (Loss)	\$0
1240	Net Worth Required	\$250,000
1270	Adjusted Net Worth	\$0

*Note : Auditors with the Data Entry role will only see the “**Submission Completeness Check**” button. They will need to contact their lender and have them click the “**Submit Financial Data**” button.*

Step 8: Once the page processes, a page will generated stating the following:

Inbox

Submission was successful!

Congratulations, your submission has successfully been submitted to your IPA for review. Please contact your IPA to ensure a prompt review of your submission. Once the IPA Agrees to your submission, return to your Inbox to send your submission to HUD.

Note 1: *The submission HAS NOT been submitted to HUD at this point. The submission has been sent to the lender’s IPA for attestation (approval). After the IPA agrees to the submission, the lender MUST re-enter LASS and submit the submission to HUD for review. See Section 5.12 of this manual.*

Note 2: *At this point, you MUST contact your auditor and inform him that you submission is ready for review. Direct the auditor to follow the instructions for review in Section 5.10 – Auditors Procedures in this User’s Manual.*

5.11 Resubmit to IPA for Review – IPA Disagree

This section is only applicable if the IPA does not agree with the lender's submission data. The IPA should contact the lender in the event that the IPA does not agree with the submission data.

Step 1: Login into LASS using <https://entp.hud.gov/clas/>

Note: For complete instructions on how to access LASS, refer to Section 2.0 Logging into LASS of this User's Manual.

Step 2: Click on the 'IPA Disagree' status link from the lender's inbox. See below.

Lender Name
 ▾

Status
 ▾

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
IPA Disagree	7116700008	ANY LOAN INC.	Title II Non-Supervised	01/31/2002	Not Assigned

Step 3: The submission will open defaulted to the Balance Sheet. The submission will be in editable format. The lender can make any necessary changes to the submission.

Step 4: Click on the appropriate tab in the Financial Data Template (Balance Sheet, Operations & Equity., Cash Flows, or Net Worth) or the appropriate link in the header or Footer (Data Collection Form or Notes & Findings) and correct all data errors based on the auditor's disagreement.

Step 5: Click 'Save' on any page that the lender corrects.

Step 6: Pick up at **Step 1** from **Section 5.9 Submit to IPA** of this User's Manual. This will instruct the user how to submit the corrections to the IPA.

5.12 Submit to HUD for Review – Lenders ONLY

Read before proceeding:

Auditors (Independent Public Accountants and Data Entry) cannot submit to HUD for Review. Only the FHA Approved Lender (Lender Submitter) can submit their financial data to HUD by clicking the “Submit Financial Data” button.

The lender WILL NOT be able to submit to HUD until the status of the submission is in ‘IPA Agree’. If the submission is in ‘IPA Review’, refer to Section 5.10 – Auditor Procedures of this manual. If the submission is in ‘IPA Disagree’, refer to Section 5.11 – Re-submitting to IPA – IPA Disagree of this manual.

Step 1: Login to LASS using <https://entp.hud.gov/clas/>

*Note: For detailed instructions on how to login to LASS, refer to **Section 2.0 – Logging into LASS** of this manual.*

Step 2: Click on the ‘IPA Agree’ status link in the inbox. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
IPA Agree	7812900009	ANY LOAN INC.	Title I and II Loan Correspondent	01/31/2002	Not Assigned

Step 3: The submit page will be displayed. See below.

Lender Number: 7812900009
Lender Name: ANY LOAN INC.
Fiscal Year End: 01/31/2002
Program Type: Title I and II Loan Correspondent

Instructions:

Click the Submit Financial Data pushbutton to submit your financial data to HUD. Be sure to check your submission status by returning to your Inbox in a few days.

CERTIFICATION STATEMENT

This is to certify that to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDT, DCF, and Notes & Findings - is accurate and complete for the period described on data element lines G9000-010, G2000-020, and G2000-030. By selecting Submit, I declare that the foregoing is true and correct.

Line Item	Account Description	Total
200	Total Assets	\$311,490
600	Total Liabilities and Equity	\$311,490
700	Total Revenue	\$1
900	Total Expenses	\$1
1000	Net Income (Loss)	\$0
1240	Net Worth Required	\$50,000
1270	Adjusted Net Worth	\$258,990

Submit Financial Data

Step 4: Read the Certification Statement and click on the ‘Submit Financial Data’ button. The following message will appear:

[Inbox](#)

Submission was successful!

Congratulations, your submission has successfully been submitted to HUD. Be sure to check your submission status by returning to your Inbox in a few days.

Note: You MUST regularly check your inbox to view the status of your submission. You are not finished with the submission until the status of your submission reads 'Complete'.

Step 5: Wait 24 hours and login back into LASS.

- If your submission status reads '**Complete**', you have been recertified for the year and will not need to resubmit until next year. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Complete	7812900009	ANY LOAN INC.	Title I and II Loan Correspondent	01/31/2002	Not Assigned

- If your submission status reads '**Review**' this means HUD is still reviewing the submission. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Review	7715900005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	Eddie Vedder

- If your submission status reads '**Deficient**' refer to **Section 5.13 – Response to a Deficient Submission** of this User's Manual. You will have 30 days to submit an acceptable cure to the deficient submission to HUD.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Deficient	7715900005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	Eddie Vedder

- If your submission status is Rejected, refer to **Section 5.14, Response to a Rejected Submission**. You will have 30 days to submit an acceptable cure to to the rejected submission to HUD.

5.13 Response to a Deficient Submission

When HUD finds a submission Deficient – the lender must submit supporting documentation herein referred to as a ‘Cure.’ A deficiency is equivalent to a condition and a cure is equivalent to satisfying a condition. If a submission is deemed deficient, the lender will receive a certified letter stating the specific deficiencies identified by HUD as well as other important information. **The lender has 30 days from the day a submission is deemed deficient to submit a cure to HUD and have the cure accepted.**

- The lender must cure a submission in order to be recertified as an FHA-approved lender.
- A cure does not have to be attested to by the auditor.
- **If a lender fails to respond to a Deficient submission in the 30-day timeframe, the lender will be withdrawn from the FHA-approved lending status granted by HUD.**

The following steps provide instructions on how to submit a cure to HUD via the cure attachment pages.

Non-supervised Lenders that have both Title I and Title II Status

If your submission is found deficient, it may be split into two separate submissions, each containing the same data. A submission may be split into two separate submissions if the Title I Non-supervised and/or Title II Non-supervised lender does not meet either the Net Worth or Liquidity Program Requirement. In this instance, when you enter your Inbox, there will be 2 submissions marked as Deficient. You must submit a cure for **BOTH** submissions listed as Deficient. Follow the same instructions beginning with **Step 1** listed in this section to submit a cure for both of the Deficient submissions.

Please note that if you satisfy all the requirements for the Title I submission but not the Title II submission, your Title I submission will be marked with a Status of ‘Complete.’ The Title II submission will be marked with a Status of ‘Deficient.’ In this case you will only need to submit a cure for the deficient submission.

Loan Correspondents that have both Title I and Title II Status

A submission may be split into two separate submissions if the Title I and/or Title II Loan Correspondent does not meet the Liquidity Program Requirement. You must submit a cure for **BOTH** submissions listed as Deficient. Follow the instructions beginning with **Step 1** to submit a cure for both of the Deficient submissions.

Please note that if you satisfy all the requirements for the Title I submission but not the Title II submission, your Title I submission will be marked with a Status of ‘Complete.’ The Title II submission will be marked with a Status of ‘Deficient and will need to be cured.’

Step 1: Login to LASS using <https://entp.hud.gov/clas/>

*Note: For detailed instructions on how to login to LASS, refer to **Section 2.0 – Logging into LASS***

Step 2: Click on the 'Deficient' status link. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Deficient	7715900005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	Eddie Vedder

Step 3: The following screen will appear allowing the user to create a cure or view the deficient submission in read-only format. A list of deficiency reasons will appear at the top.

Deficiency Reasons:

- Other Income is greater than 50% of Revenue
- Financial Statements use basis other than GAAP
- Type of SAS 29 Opinion on FDT
- Going Concern Indicator
- Explanatory Paragraph other than Going Concern
- Reportable Condition and/or Material Weakness Indicator
- Material Noncompliance Indicator
- Scope - Imposed by Circumstance
- Change in Accounting Principle
- Change in Accounting Estimate
- Change in Accounting Method

Deficiency Reasons

As you know, HUD-FHA requires all HUD approved Title I and Title II nonsupervised lenders, mortgagees, and loan correspondents to electronically submit certain financial and compliance data based on audited financial statements within 90 days after the end of their fiscal year. Based on our review of your recent electronic submission, the attached checklist indicates the items that are missing, incomplete or unacceptable and/or financial conditions that do not meet Departmental requirements.

This is to advise you that the Mortgagee Review Board is considering administrative action against your company based on your failure to meet these cited conditions. Your company has the opportunity to 'cure' these deficiencies by providing additional data or information specifically addressing the issues. This information must be submitted electronically within 30 days from the date that you receive this letter. Instructions regarding electronic submission using the Lender Assessment Subsystem are available at <http://www.hud.gov/offices/hsg/sfh/lender/lenders.cfm>.

Failure to complete an acceptable electronic submission demonstrating compliance with all HUD-FHA requirements may result in the withdrawal of your HUD-FHA lender approval. Under the provisions of the Department of Housing and Urban Development Reform Act of 1989, withdrawal must be for a period of at least one year. Your company would be unable to submit a new application to become a HUD-FHA approved lender until the period of withdrawal has expired.

The Department values your participation in its insured mortgage programs. Therefore, your prompt attention to this matter is necessary. Please direct any questions regarding the submission of additional supporting documentation to your analyst at lasc@hud.gov or the Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Technical Assistance Center at 1-888-245-4860.

If you want to Create a Cure to a Deficient submission, click the Create Cure pushbutton. Once you click the pushbutton, Cure screens will appear. If you only want to view the Deficient submission data and enter a cure at a later date, click the Read Only pushbutton.

Do you want to create a cure or view the Deficient submission in read-only format?

Click to create a cure



Click to view Read Only submission

Note: If you click the Read Only pushbutton, the previous submission will open in read-only format. You cannot make changes to the submission; only view your previously submitted data.

Step 4: Click on the ‘Create Cure’ button at the bottom of the screen. The following screen will display:

Cure 1				Cure 2	Cure 3	Cure 4	Submit Cure
ELEMENT #	ACCOUNT DESCRIPTION	VALUE	DETAILS				
1701	Cure 1	<input type="text"/>	<input type="button" value="Browse..."/>	No File Uploaded			
<p>Cure Comments:</p> <div style="border: 1px solid gray; height: 40px; width: 100%;"></div>							
<input type="button" value="Save"/>							

[Cure 1](#) | [Cure 2](#) | [Cure 3](#) | [Cure 4](#) | [Submit Cure](#)

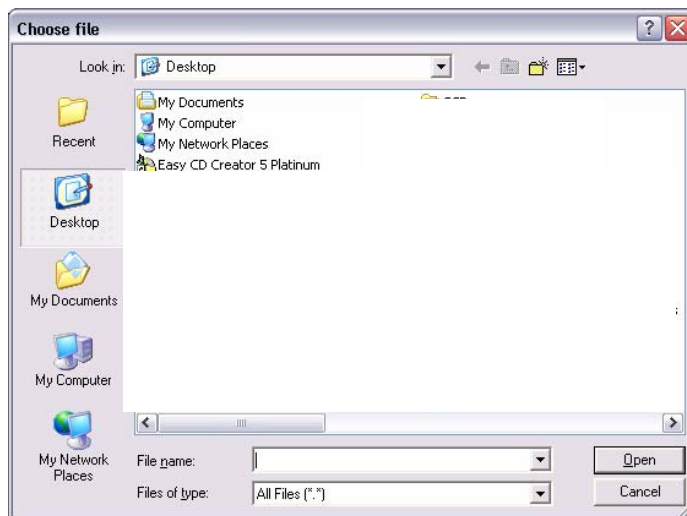
[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

[Reports](#) | [Cure](#)

Partial Screen View

Step 5: The page defaults to the ‘Cure 1’ tab. Click on the ‘Browse’ button to select a file to attach.

Step 6: Pop-up box will appear. Select the file from the appropriate location and click ‘Open’ on the pop-up box. See below.

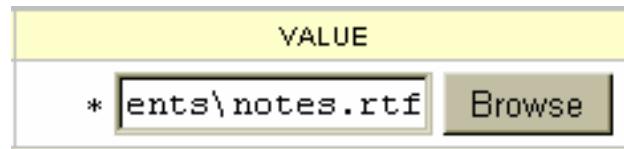


Click here to select a file

Note 1: Attached file MUST be in Rich Text Format (.rtf), JPG, or GIF or it will not attach.

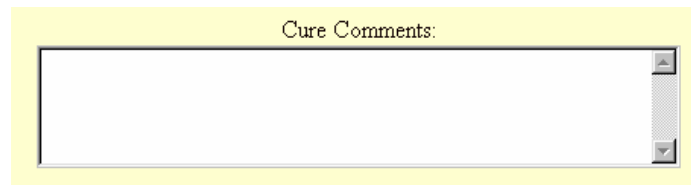
Note 2: You can cure more than one deficiency identified in Deficiency Reasons in one attachment.

Step 7: After selecting the file, the file name and path will display in the 'Value' field. See below.



A screenshot of a web form element. At the top, the word "VALUE" is centered in a yellow header bar. Below this, there is a text input field containing the file path "ents\notes.rtf" preceded by an asterisk (*). To the right of the text field is a button labeled "Browse".

Step 8: Enter any comments related to the attached file in the 'Cure Comments' textbox. See below.



A screenshot of a text area labeled "Cure Comments:". The text area is empty and has a vertical scrollbar on the right side.

Step 9: Click the 'Save' button under the comments box to attach the file and save comments that were entered.

Step 10: If the file upload is successful, the Open File link appears to the right of the browse button. Proceed to **Step 13**.

Note: To view the file, click on the 'Open File' link

Step 11: If the file upload is **unsuccessful**, the following screen appears:

Invalid File.

The attachment for line item 1701, Cure 1 must be in .rtf, .gif, or .jpg file format.

Use the back button on your browser to return to the previous page and reattach the file.

*To ensure that the filename is correct, use the "Browse" pushbutton to locate the file and attach.

**If you wish to enter Cure Comments, first, attach a file using the "Browse" pushbutton. Then enter your comments into the large textbox. Then click the save pushbutton.

Step 12: Click the 'Back' button on your Internet browser and attach an .rtf, jpg, or .gif file. Repeat Steps 4 – 9 until the file successfully attaches.

Step 13: To attach another file, click on the **Cure 2** tab or the [Cure 2](#) link at the bottom of the page. You can attach up to 5 cures using the cure tabs. Repeat Steps 4 – 12.

Step 14: Once all cures have been successfully attached, click on the 'Submit Cure' tab. See below.

ELEMENT #	FILE	COMMENTS
1701	Test.rtf	

[Cure 1](#) | [Cure 2](#) | [Cure 3](#) | [Cure 4](#) |

[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

[Reports](#) | [Cure](#)

[User Guide and System Documentation](#) | [Technical Assistance Center](#)

Step 15: Once the 'Submit Cure' page is displayed, click on the 'Submit Cure' button.



Step 16: The Cure will be submitted to HUD. The following message will appear:

[Inbox](#) | [View Submitted Cures](#)

Congratulations!

Your cure has been successfully submitted. Please check your Inbox in a few days to verify that your cure has been accepted by HUD. Your cure has been accepted when the Status in your Inbox changes to Complete.

Note: You should regularly check your Inbox to ensure your cure has been accepted. Once your submission status is Complete, you do not have to enter your next LASS submission until next year!

Step 17: If your cure is found insufficient, the submission status in your Inbox will read Insufficient Cure. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Insufficient Cure	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Step 18: If you have an Insufficient Cure status and if *time remains in the 30-day cure period*, you may submit another cure. You will click on the Insufficient Cure link and complete **Steps 1 - 16** of this section.

Note: If your cure is in 'Insufficient Cure' status and your 30-day cure period has expired, you will no longer have the ability to submit a cure. See below.

You no longer may submit to LASS. Your 30-day cure period has expired.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
View Submission	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Step 19: After the cure period expires, HUD will reevaluate your submission and/or cure, if the submission and/or cure is still deemed deficient, your FHA-approved lending status will be withdrawn and the following information will appear in your Inbox:

You no longer may submit to LASS. Your 30-day cure period has expired.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Withdrawn	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Note: If your status is Withdrawn, you will receive a certified letter explaining what plan of action you may take.

5.14 Response to a Rejected Submission

When HUD rejects a submission, the lender can either edit the rejected submission or submit a brand new submission to HUD. A submission may be rejected for various reasons. If a submission is rejected, the lender will receive a certified letter stating they need to edit the current or submit a new submission. The lender has 30 days from the day a submission is rejected to submit to HUD. The new/edited submission will be considered a cure and the auditor must attest to the edited/new submission.

The lender must submit an acceptable submission (cure) in order to be recertified as an FHA-approved lender. If the edited/new submission is found insufficient, the lender can submit another cure to LASS if time remains in the 30-day time period. For more information on submitting a cure, refer to Section 5.13 Response to a Deficient Submission. If a lender fails to respond to a Rejected submission in the 30-day cure period, the lender risks losing its FHA-approved lending status.

5.14.1 Creating a New Submission – Curing a Rejected Submission

Step 1: Login to LASS using <https://entp.hud.gov/clas/>

Note: For detailed instructions on logging into LASS, refer to Section 2.0 – Logging into LASS.

Step 2: Click on the 'Rejected' status link within the inbox. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Rejected	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Step 3: The 'Rejection' page is displayed with a list of rejection reasons. At the bottom of the page the user can either choose the 'Create New Submission', 'Editable', or 'Read Only' link. For this section, choose the 'Create New Submission' button. See below:

Note: If you click the Read Only pushbutton, the previous submission will open in read-only format. You cannot make changes to the submission; only view your previously submitted data.



[Back to Inbox](#)

Rejection Reason:

- Financial Statements not on GAAP basis
- Improper classification of Cash Flow Statement into the operations, investing or financing activities
- Other

Comments:

I agree with all of these.

As you know, HUD-FHA requires all nonsupervised lenders and loan correspondents to electronically submit certain financial and compliance data based on audited financial statements within 90 days after the end of their fiscal year. Based on our review of your recent electronic submission, the attached checklist indicates the items that are missing, incomplete or unacceptable and/or financial conditions that do not meet Departmental requirements.

Partial Template Displayed

The Department values your participation in its insured mortgage programs. Therefore, your prompt attention to this matter is necessary. Please direct any questions regarding the submission of additional supporting documentation to your analyst at lass@hud.gov or the Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Technical Assistance Center at 1-888-245-4860.

If you want to create a brand new submission, click the 'Create New Submission' pushbutton. If you want to edit your Rejected submission, click the 'Editable' pushbutton. If you want to view the Rejected submission, click the 'Read Only' pushbutton.

Create New Submission

Editable

Read Only

Click here to create a new submission to cure the rejection

Step 4: When the user chooses 'Create New Submission', the user will be required to fill out the entire submission again. For detailed instructions on filling out the entire submission, refer to **Sections 5.0 – 5.8** of this User's Manual.

Step 5: After filling in all information on the new submission, submit the new submission to the IPA for review. For detailed instructions on submitting the submission to the IPA, refer to **Section 5.9 – Submit to IPA** of this User's Manual.

Step 6: After submitting to the IPA for review, the auditor must now agree or disagree to the new submission. For detailed instructions on the auditor procedures to agree or disagree, refer to **Section 5.10 – Auditor Procedures** of this User’s Manual.

Step 7: After the auditor has agreed to the new submission, submit the financial data to HUD. For detailed instructions on submitting to HUD, refer to **Section 5.12 – Submit to HUD for Review** of this User’s Manual.

Step 8: After the new submission has been submitted to HUD, the lender is required to frequently check their inbox to see if the status of the submission has changed.

Note: Statuses to look for:

- *If the status changes to ‘Complete’, the lender has successfully completed the electronic submission of the recertification process and will not be required to submit until next year.*
- *If the status changes to ‘Insufficient Cure’, please submit an acceptable cure. For detailed information on submitting cures, refer to **Section 5.13 – Response to Deficient Submission** of this User’s Manual.*
- *If the status changes to ‘Rejected’, please refer to the steps in this section (5.14 – Response to a Rejected Submission).*

Step 9: If your cure is in ‘Rejected’ or ‘Insufficient Cure’ status and your 30-day cure period has expired, you will no longer have the ability to submit a cure. See below

You no longer may submit to LASS. Your 30-day cure period has expired.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
View Submission	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Step 10: After the cure period has expired, HUD will reevaluate your submission and/or cure, if the submission and/or cure is still deemed deficient, your FHA-approved lending status will be withdrawn and the following information will appear in your Inbox:

You no longer may submit to LASS. Your 30-day cure period has expired.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Withdrawn	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Note: If your status is Withdrawn, you will receive a certified letter explaining what plan of action you may take.

5.14.2 Editing a Rejected Submission

Step 1: Login to the inbox and click on the 'Rejected' status link. See below.

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Rejected	7781700005	ANY LOAN INC.	Title I and II Loan Correspondent	12/31/2001	DARRALL GRIFFIN

Step 2: Click on 'Editable' link at the bottom of the 'Rejected' page. See below.

The Department values your participation in its insured mortgage programs. Therefore, your prompt attention to this matter is necessary. Please direct any questions regarding the submission of additional supporting documentation to your analyst at lass@hud.gov or the Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Technical Assistance Center at 1-888-245-4860.

If you want to create a brand new submission, click the 'Create New Submission' pushbutton. If you want to edit your Rejected submission, click the 'Editable' pushbutton. If you want to view the Rejected submission, click the 'Read Only' pushbutton.

Step 3: The previous submission opens in editable format and defaults to the Balance Sheet.

Step 4: The user must correct all errors that caused the submission to be rejected. Once all errors have been corrected, repeat steps 5 – 10 of the previous section.

5.15 Creating an Extension Request

The Request 30-Day Extension link will appear in the External Inbox 45 days before the lender's submission due date. The Request 30-Day Extension link will be removed 15 days prior to the lender's submission due date. The link will not appear at any other time.

The submission due date is 90 days after the lender's fiscal year end.

Step 1: From the lender's inbox, click on the 'Request 30-Day Extension link at the top of the page.

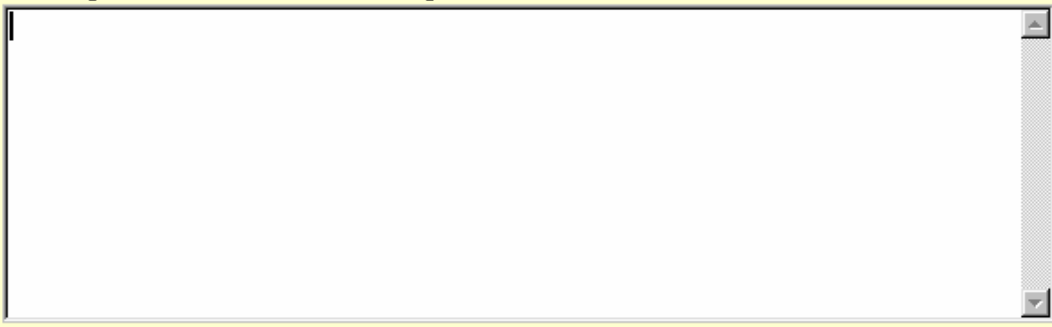
[Request 30-Day Extension](#)

Step 2: The Extension Request Screen will appear.

Step 3: Read the Extension Request Regulation

Step 4: Type your extension request reason in the large textbox. See below:

Please provide a brief extension request reason:



Step 5: After the extension reason has been entered, click 'Submit' at the bottom of the page.

Step 6: After the page processes, the following confirmation screen appears:




[Back to Inbox](#)

Your extension request has been received. You will be notified with a decision within the next 7 days. Please check your Inbox for an update on your extension request.

Note 1: The lender will be notified if their extension request is approved or denied within 7 days. Be sure to periodically check the Lender Inbox over the next 7 days for a decision.

Note 2: You may access the extension request in read-only format while it is in review by clicking the [30-Day Extension in Review](#) link from the Lender Inbox.

Step 7: If the Extension Request is approved, the 'Approved 30-Day Extension link will appear in the lender's inbox. See below:



Lender Assessment Electronic Submission

U.S. Department of Housing and Urban Development
Real Estate Assessment Center (REAC)

[Inbox](#) | [Create New Submission](#) | [Delete Draft Submission](#) | [Approved 30-Day Extension](#)

Instructions:
 You may click on the link underneath the Status column to open your submission. To delete a draft submission, click the 'Delete Draft Submission' link. To create an extension request, click the 'Request 30-Day Extension' link if it is available.

Lender Name

Status

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Draft	1724300008	ANY LOAN INC.	Title II Loan Correspondent	01/31/2002	Not Assigned

Approved Extension Request

Step 8: Click the 'Approved 30-Day Extension' link to verify the new submission due date. See below:



Lender Assessment Electronic Submission

U.S. Department of Housing and Urban Development
Real Estate Assessment Center (REAC)

[Back to Inbox](#)

Your 30-Day Extension Request has been **approved**. Your submission is now due by May 30, 2002.

Step 9: Click the 'Back to Inbox' link to return to the inbox.

Step 10: If the Extension Request is denied, the [Denied 30-Day Extension](#) link will appear in the Lender Inbox. See below:



[Inbox](#) | [Create New Submission](#) | [Delete Draft Submission](#) | [Denied 30-Day Extension](#)

Instructions:
 You may click on the link underneath the Status column to open your submission. To delete a draft submission, click the 'Delete Draft Submission' link. To create an extension request, click the 'Request 30-Day Extension' link if it is available.

Lender Name

ANY LOAN INC. ▾

Status

ALL ▾ Search

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
Draft	1377400004	ANY LOAN INC.	Title II Loan Correspondent	01/31/2002	Not Assigned

Denied extension request

Step 11: Click the 'Denied 30-Day Extension' link to access the denied message. See below:



[Back to Inbox](#)

We have received your request for an extension of the deadline for electronically submitting required financial and compliance data. The reason(s) stated in your request do not fall within the guidelines of Paragraph 1 of Mortgagee Letter 95-6. Accordingly, we are unable to grant your request for an extension. Your submission is still due by April 30, 2002.

Step 12: Click the 'Back to Inbox' link to return to the inbox.

Note: If the extension request is denied, the original submission due date remains the same.

6.0 Reporting

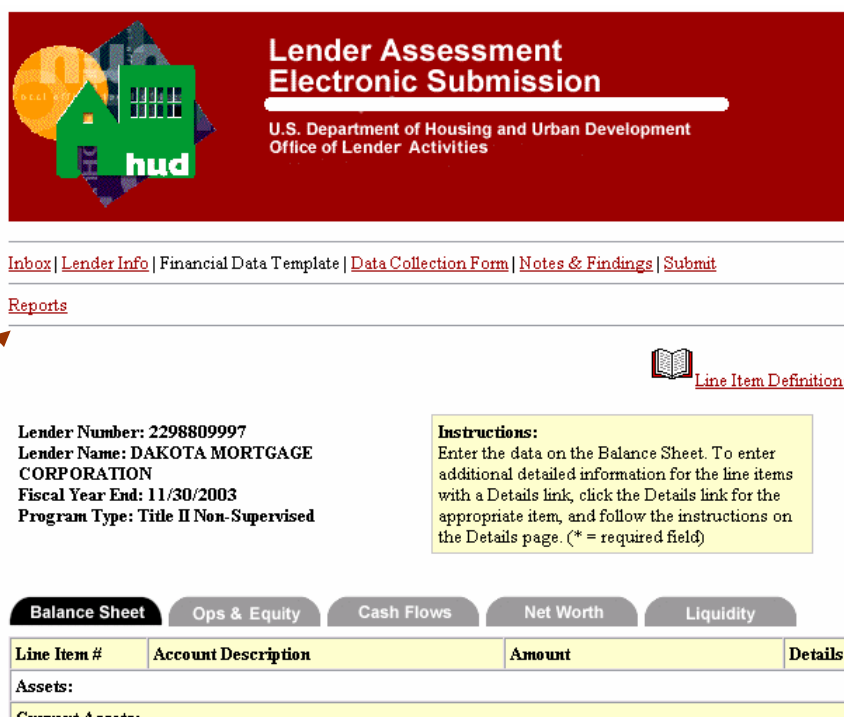
The Report Selection page allows users to generate reports in LASS once a draft submission is created. The following reports are available to the user:

- Top-Level Financial Statements
- Financial Data Template Reports
- Auditor Procedures Report
- Lender History Report

Step 1: After logging into LASS, click on the status link for the submission.

*Note: For detailed instructions on how to login to LASS, refer to **Section 2.0 Logging into LASS** of this User's Manual.*

Step 2: Click on the 'Reports' link at either the top or bottom of the page. See below.



Lender Assessment Electronic Submission
U.S. Department of Housing and Urban Development
Office of Lender Activities

[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

[Reports](#)

[Line Item Definitions](#)

Lender Number: 2298809997
Lender Name: DAKOTA MORTGAGE CORPORATION
Fiscal Year End: 11/30/2003
Program Type: Title II Non-Supervised

Instructions:
Enter the data on the Balance Sheet. To enter additional detailed information for the line items with a Details link, click the Details link for the appropriate item, and follow the instructions on the Details page. (* = required field)

Balance Sheet | Ops & Equity | Cash Flows | Net Worth | Liquidity

Line Item #	Account Description	Amount	Details
Assets:			
Current Assets:			

Click 'Reports' to access reports

Step 3: After clicking on the 'Reports' link, the report selection screen will display. See below.



[Inbox](#) | [Lender Info](#) | [Financial Data Template](#) | [Data Collection Form](#) | [Notes & Findings](#) | [Submit](#)

Reports

Click the link for the report you wish to display:

[Top-Level Financial Statements](#)
[Financial Data Template Reports](#)
[Auditor Procedures Report](#)
[Lender History Report](#)

Step 4: Click on the 'Top-Level Financial Statements' link.

Description: The Top-Level Financial Statement Reports include a summary of the Balance Sheet, Operations & Equity, Cash Flows and Net Worth line items.

Note: The user may access the Top-Level Financial Statement only after the submission has been submitted to the IPA for review (IPA Review). If the IPA does not agree with the submission data (IPA Disagree), this report will not be accessible. In addition, the Top-Level Financial Statements will not be accessible for a Rejected submission.

Step 5: The report will display in a separate window. A snapshot of what a portion on the report will display is below.

ANY LOAN CORPORATION
BALANCE SHEET
December 2001

Assets

Current Assets:

Cash and Cash Equivalents	\$0
Accounts Receivable, Net of Allowance for Doubtful Accounts	\$0
Marketable Securities	\$0
Loans Held for Sale, at lower of cost or market	\$0
Other Current Assets	<u>\$190</u>
Total Current Assets	\$190

Non-Current Assets:

Property, Equipment and Leasehold Improvements, Net of Accumulated Depreciation	\$6
Net Mortgage Servicing Rights	\$0
Real Estate Owned, at Net realizable value	\$0
Loans Held for Investment	\$0
Other Non-Current Assets	<u>\$455</u>
Total Non-Current Assets	<u>\$461</u>
Total Assets	<u>\$651</u>

Note: To print the report, click on 'File' in the browser window and select 'Print'.

Step 6: When finished reviewing the Top-Level Financial Statement Reports, click the "X" at the top of the screen to close the browser in which the report displayed.

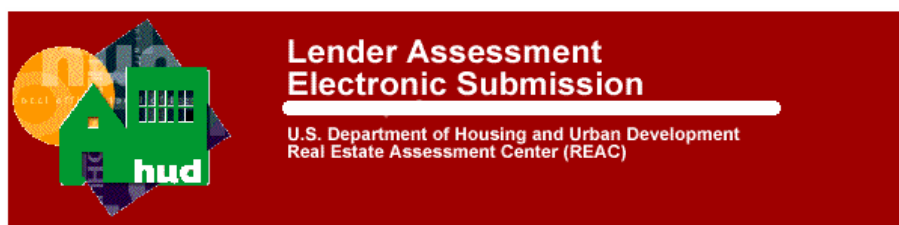
Step 7: Go back to the initial browser where the Report Selection page is displayed.

Step 8: Click on the 'Financial Data Template Reports' link.

Description: The Financial Data Template Reports summarize all of the line items from the Balance Sheet, Operations & Equity, Cash Flows and Net Worth on one page.

Note: The user may access the Financial Data Template Reports after the submission is submitted to the IPA for review (IPA Review). If the IPA does not agree with the submission data (IPA Disagree), this report will not be accessible. The Financial Data Template Reports will not be accessible for a Rejected submission.

Step 9: The report will display. A snapshot of what a portion on the report will look like is below.



[Back to Report Selection](#)

ANY LOAN INC.
FINANCIAL DATA TEMPLATE REPORTS
December 2002

Balance Sheet

LINE ITEM #	ACCOUNT DESCRIPTION	AMOUNT
Assets:		
Current Assets:		
111	Cash and Cash Equivalents	\$28,209
121	Accounts Receivable, Net of Allowance for Doubtful Accounts	\$26,995,207
131	Securities	\$3
132	Securities Available for Sale	\$80,004
133	Trading Account Securities	\$22
134	Loans Held for Sale, at lower of cost or marked	\$6
135	Other Current Assets	\$190
135-010	a	\$36
135-020	b	\$37
135-030	c	\$38
135-040	d	\$39
135-050	e	\$40
150	Total Current Assets	\$27,103,641
Non-Current Assets:		
	Property Equipment	

LINE ITEM #	ACCOUNT DESCRIPTION	AMOUNT
Liabilities:		
Current Liabilities:		
311	Accounts Payable and Accrued Expense	\$80,022
312	Warehouse Line of Credit, UPB	\$22
313	Interest Payable	\$23
314	Estimated Future Loss Liabilities:	\$24
315	Other Current Liabilities	\$265
315-010	p	\$51
315-020	q	\$52
315-030	r	\$53
315-040	s	\$54
315-050	t	\$55
310	Total Current Liabilities	\$80,356
Non-Current Liabilities:		
321	FAS 133 Derivatives	\$340
322	Other Non-Current Liabilities	\$290
322-010	u	\$56

Note: To print the Financial Data Template Reports, click on 'File' in the browser menu bar and select 'Print'

Step 10: Click the 'Back to Report Selection' link at the top of the page.

Step 11: Click on the 'Auditor Procedures' report from the report selection screen.

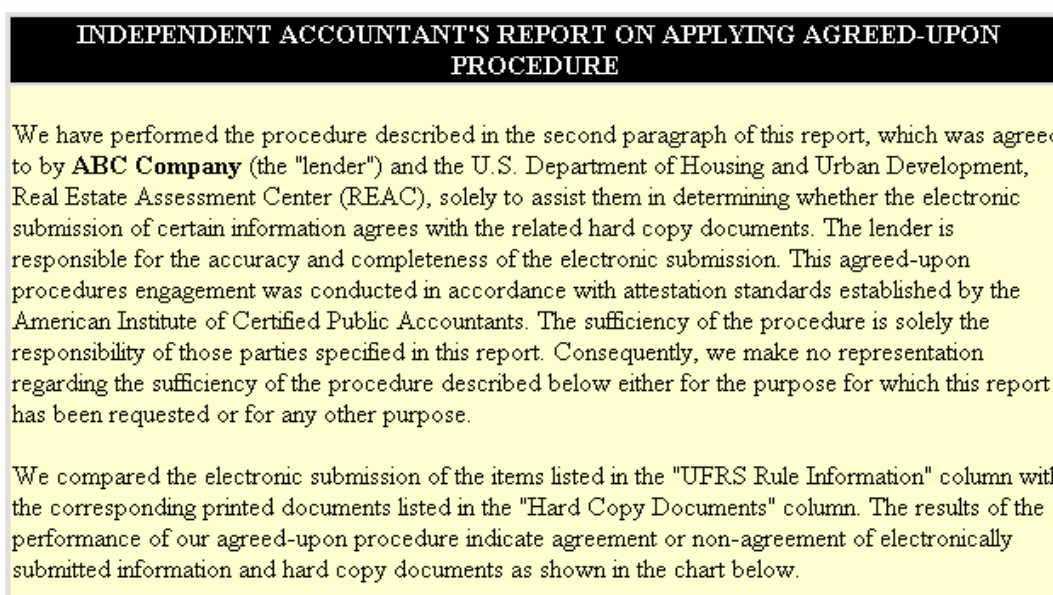
Description: The Auditor Procedures Report provides the lender and auditor with the last set of completed Agreed Upon Procedures. The report highlights whether the auditor agreed or disagreed with the Agreed Upon Procedures for a given submission. This report also allows the auditor to maintain a record of all Agreed Upon Procedures that they complete.

Note: The user may only access the Auditor Procedures Report after the IPA agrees (IPA Agree) or disagrees (IPA Disagree) with the submission data.

Step 12: The Auditor Procedure Report displays. A portion of the report will look like the following:



[Back to Report Selection](#)



Note: To print the Auditor Procedures Report, click on 'File' in the browser menu bar and select 'Print'

Step 13: Click on the 'Back to Report Selection' link at the top of the page.

Step 14: Click on the 'Lender History Report' link from the report selection page.

Description: The Lender History Report provides lenders and auditors with a detailed timeline of the lender's submission and the HUD review process. The report provides lenders and auditors with specific submission statuses and the date of each status throughout the submission and review process.

Note: The lender may access the Lender History Report at all times.

Step 15: The Lender History Report displays. The report will resemble the following: (See below)



[Back to Report Selection](#)

Lender History Report for ABC Company

Status	Date	Program Type
Extension Request Submitted	01/08/01	Title I Non-Supervised
Denied Extension Request	01/12/01	Title I Non-Supervised
Draft Submission	01/13/01	Title I Non-Supervised
IPA Review	01/21/01	Title I Non-Supervised
IPA Agree	01/30/01	Title I Non-Supervised
Submission in Review	02/01/01	Title I Non-Supervised
Deficient	02/15/01	Title I Non-Supervised
Draft Cure	02/23/01	Title I Non-Supervised
Cure in Review	02/26/01	Title I Non-Supervised
Cure Accepted	03/04/01	Title I Non-Supervised
Submission Complete	03/04/01	Title I Non-Supervised

Note: To print the Lender History Report, click on 'File' in the browser menu bar and select 'Print'

Step 16: Click on the 'Back to Report Selection' link to return to the list of available reports..

7.0 Appeal of a Withdrawn HUD-FHA Approval

If HUD has withdrawn your HUD-FHA Approval status and you would like to start an appeal, please refer to this section.

HUD may withdraw a lender's HUD-FHA Approval status for one of four reasons:

- Financial reports must be submitted to HUD within the 90-day period after the lender's fiscal year end. After the 90-day period, the submission is considered late. The lender will only have 30 days from the day they are considered late to submit an acceptable financial report or cure. If the lender did not submit an acceptable financial report or cure within 30 days of the date they were marked late (90th day), the lender's HUD-FHA Approval will be withdrawn.
- If the lender's financial report was submitted to HUD, **rejected**, and the lender did not submit an acceptable cure to the rejected financial report within 30 days of the submission being marked **rejected**, the lender's HUD-FHA Approval will be withdrawn.
- If the lender's financial report was submitted to HUD, marked **deficient**, and the lender did not submit an acceptable cure to the deficient financial report within 30 days of the submission being marked **deficient**, the lender's HUD-FHA Approval will be withdrawn.
- If the lender did not submit a submission at all within the first 120 days after the lender's fiscal year end date, the lender's HUD-FHA Approval will be withdrawn.

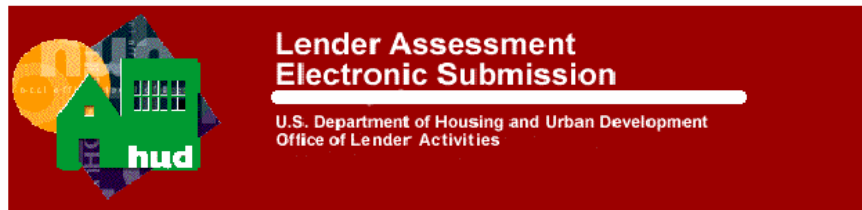
Note: All lenders have the ability to either request a hearing or submit a reinstatement cure as part of HUD's appeal process for a withdrawn HUD-FHA Approval status. Lenders will have 30 days from the receipt of the 'Notice of Withdrawal' letter to either request a hearing or submit a reinstatement cure. If the lender fails to comply with this 30-day requirement, the lender's HUD-FHA Approval will be terminated and the lender will be required to go through the FHA-approval process again, beginning with filling out the FHA Approval Application.

7.1 Withdrawn Lender Appeal Procedure

Step 1: After logging into LASS, click on the status link for the submission. The status should read 'Withdrawn'.

Note: This link will only be enabled after HUD sends the Notice of Withdrawal letter. Prior to this, the link will be inactive. The lender will have to wait for this link to be active in order to begin the appeal.

Step 2: The page will reload and the user will be brought to the 'Withdrawn Lender Appeal Procedure' page. This page will outline HUD's policy for withdrawing a lender's HUD-FHA Approval as well as a link to the Notice of Withdrawal letter. In addition, this page will also display any 'Deficiency Reasons' that the lender's original financial report may have generated. See below:



WITHDRAWN LENDER APPEAL PROCEDURE

HUD-FHA requires all HUD approved Title I and Title II non-supervised lenders, mortgagees, and loan correspondents to meet minimum net worth and liquidity requirements, and electronically submit acceptable financial and compliance data within 90 days after the close of their fiscal year. As you were previously notified, your electronic submission did not meet these requirements. The deficiencies noted below, remain incomplete or missing and/or contain financial conditions that are not in compliance with Departmental requirements.

You are hereby notified that your company's HUD-FHA Approval is withdrawn effective upon your receipt of the certified mail letter (Notice) notifying you of your withdrawal. In the event you have not received your Notice, click [HERE](#) for a copy of the Notice that was sent to you at the address on file with the Department. This withdrawal is effective for a period not less than one year. Upon expiration, you may file a new application for approval under 24 CFR Part 202. This action is taken under 24 CFR Part 25. If you believe this withdrawal is in error, please notify the Office of Lender Approval via telephone at (202) 755-7400, extension 161, via fax at (202) 755-0303, or via e-mail at HSG-Lender_Approval@hud.gov.

Pursuant to 24 CFR Part 25.8, your company may request a hearing in this matter. To expedite the resolution of this matter, you may bypass the hearing process and request reinstatement through HUD's streamlined reinstatement process. See Request for Reinstatement template, below, for more details. All requests for this reinstatement process must be made electronically. Selecting this process will automatically preserve your right to request a hearing in this matter, if necessary.

If you are not interested in the expedited process described above (or unable to resolve this matter through the streamlined reinstatement process described above), you may request a hearing in this matter. Hearing requests can be expedited by responding electronically through the Request for Hearing template, below. Hearing requests can also be made in writing (please include a copy of this document with the Lender Information completed). Written requests must be mailed to:
HUD MRB Docket Clerk
451 7th Street, SW., Rm. B-133 CEP Portals Bldg
Washington, DC 20410

All requests for either a hearing or to participate in the Reinstatement Process must be made within 30 days of receipt of the Notice. If HUD does not receive a response within these 30 days, this action may no longer have a right to a hearing in this matter.

This action in no way affects your company's continuing responsibility in connection with outstanding HUD-FHA insured mortgage loans and the obligation to pay all fees or premiums now or hereafter due the Department. HUD-FHA will not endorse any mortgage originated by a withdrawn lender unless, prior to the date of the withdrawal, a firm commitment has been issued related to any such mortgage or a direct endorsement underwriter has approved the mortgagor for any such mortgage, evidenced by the signing of a Mortgage Credit Analysis Worksheet. All other mortgages in process must be assigned to another HUD-FHA approved lender.

Click here to view the 'Notice of Withdrawal' letter.

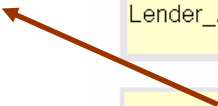
(Template continued on the next page)

If your company has been approved to participate in the Department's multifamily mortgage insurance program, this action will not affect outstanding firm commitments, including insurance of advances made or to be made during construction under multifamily mortgage loans initially endorsed for insurance. However, conditional commitments must be assigned to another HUD-FHA lender approved for multifamily programs.

Effective upon receipt of your letter, the Department will not issue new case numbers or accept new applications for commitments (except as noted above) and will return all pending applications. We have advised all relevant Department Offices of this action.

If you have any question, please contact this office via telephone at (202) 755-7400, extension 161, via fax at (202) 755-0303, or via e-mail at HSG-Lender_Approval@hud.gov.

Deficiency reasons (if any) will be listed here.



Deficiency Reasons	Reviewer's Comments
Lender Information	
Lender ID:	
Lender Name:	
Lender Street Name:	
Lender City:	
Lender State:	
Lender Zip Code:	
Fiscal Year End:	
Program Type:	
Contact Phone Number:	

Note: If the user clicks on the 'Here' link within the 2nd paragraph, the 'Notice of Withdrawal' letter that was sent to the lender will be displayed. After viewing the letter, to return to the 'Withdrawn Lender Appeal Procedure' page, simply click the 'Back' button in your browser.

Step 3: To continue with the appeals process after reading the 'Withdrawn Lender Appeal Procedure' page in its entirety, click 'Continue' at the bottom of the page.

Step 4: The page will load and offer two options:

- Request for Reinstatement
- Request for a Hearing

See below:

Request for Reinstatement

This process allows a lender to enter into an expedited settlement with the Department. By selecting to go through this process, the lender preserves its right to later request a hearing in this matter in the event it is unable to cure its deficiencies and/or complete the Request for Reinstatement process.

In order to be reinstated, you must first:

1. Cure all deficiencies noted above under "Deficiency Reasons,"
2. Pay the Department a Reinstatement Fee of \$1,000,
3. Be current on any outstanding financial obligations owed to the Government, and
4. Sign a settlement agreement with the Department.

All cures must be submitted and approved by the Office of Lender Approval (OLA) within 30 days of submitting your Request for Reinstatement. Therefore, to meet this 30-day requirement, cures must be submitted as quickly as possible, but no later than 14 days of the Request for Reinstatement. OLA will then review your submission and reach a decision on whether to accept or reject your cures. Once your Request for Reinstatement is submitted, you will be directed to the proper screen so that you can submit your cures.

Reinstatement process

[Click Here to go through Reinstatement Process](#)

Request for a Hearing

HUD regulations at 24 CFR § 25.8 permit a lender to request a hearing after the Department takes an administrative action such as the withdrawal at issue. Requests must be made within 30 days of receipt of its withdrawal notice. A hearing would be held before a hearing official designated by the Mortgagee Review Board. A member of the Office of General Counsel will contact you to schedule this hearing. Further details regarding the hearing process can be found at 24 CFR § 25.8.

To expedite your Request for a Hearing, check the box below and submit this template using the button, below. You will receive an email from HUD confirming your request if you completed the Lender Information, above. A member of the Office of General Counsel will contact you to schedule this hearing. If you wish to send a written request instead of using the electronic template, please print this document and mail it to:

HUD MRB Docket Clerk
451 7th Street, SW., Rm. B-133 CEP Portals Bldg
Washington, DC 20410

Enter comments here:

Hearing process

[Click Here to request a hearing](#)

Continue

Step 5: To complete the hearing process, please proceed to the next section of this manual (**Section 7.1.1 Hearing Process**). To complete the reinstatement process, please proceed to **Section 7.1.2 Reinstatement Process** of this User's Manual.

7.1.1 Hearing Process

Step 1: To proceed with the Hearing process; click on the radio button next to 'Click here to request a hearing' at the bottom of the page. Enter comments in the text box provided. .

Note: *Comments entered in the text box will be viewable by a representative in HUD's Office of General Counsel.*

Step 2: After selecting the 'Request Hearing' radio button, click the 'Continue' button at the bottom of the page. See below:

Request for a Hearing

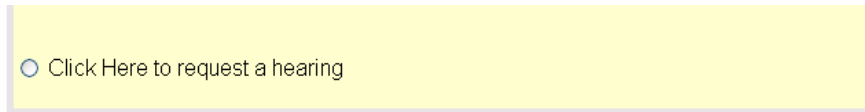
HUD regulations at 24 CFR § 25.8 permit a lender to request a hearing after the Department takes an administrative action such as the withdrawal at issue. Requests must be made within 30 days of receipt of its withdrawal notice. A hearing would be held before a hearing official designated by the Mortgagee Review Board. A member of the Office of General Counsel will contact you to schedule this hearing. Further details regarding the hearing process can be found at 24 CFR § 25.8.

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451 7th Street, SW., Rm. B-133 CEP Portals Bldg
Washington, DC 20410

Enter comments here:

(Template continued on the next page)



Click here after selecting 'Click Here to Request a Hearing'



Continue

Step 3: After clicking 'Continue' from the previous step, the page will reload and take the user back to the inbox. At this point, the status will read 'Withdrawal Appeal Pending'. See below.



[Inbox](#) | [Create New Submission](#) | [Delete Draft Submission](#)

Instructions:
Click the 'Create New Submission' link to begin your submission. To create an extension request, click the 'Request 30-Day Extension' link if it is available.

Lender Name

Status

ALL

Search

STATUS	LENDER NUMBER	LENDER NAME	PROGRAM TYPE	FISCAL YEAR END	LASS ANALYST
<u>Withdrawal Appeal Pending</u>	123456	ABC	Title II	May	

Step 4: At this point, your request for a hearing has been submitted to HUD's Office of General Council (OGC). A representative from OGC will contact you to expedite the hearing process.

Note: After the hearing is completed and if the lender has won the hearing, the lender's HUD-FHA Approval status will be reinstated. If the lender has NOT won the hearing, the lender's HUD-FHA Approval status will be terminated and the lender will be required to go through the FHA Approval process to reapply. The 'Reinstated' or 'Terminated' status will be displayed in the inbox when the lender logs into LASS.

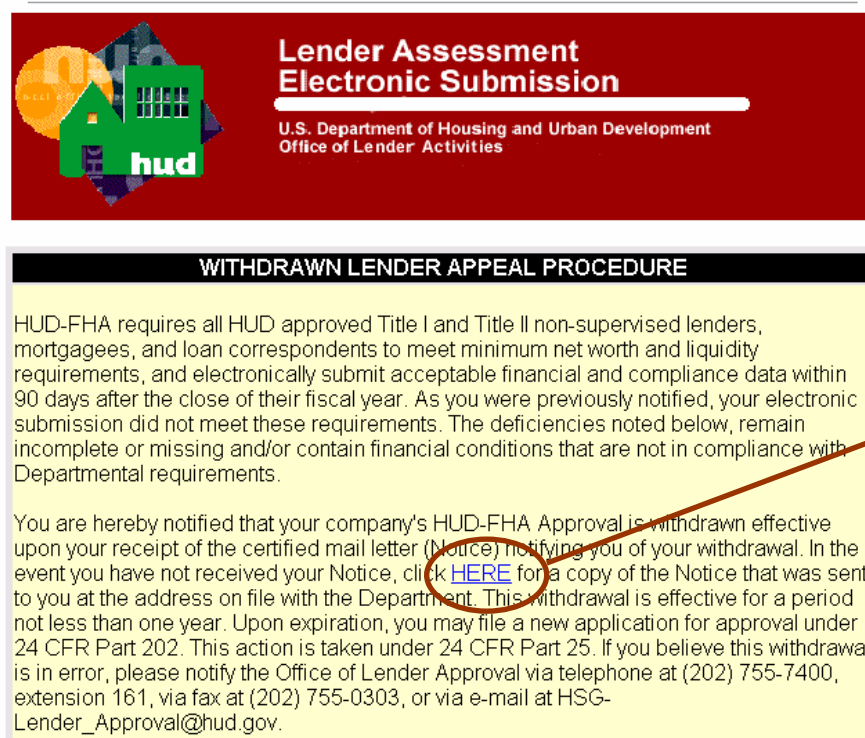
7.1.2 Reinstatement Process

If you would rather complete a reinstatement cure instead of requesting a hearing, please refer to this section.

Note: There is a non-refundable \$1000 fee payable to HUD that is required to successfully complete the reinstatement process. This fee is only due if the lender's Reinstatement Cure is accepted by HUD. If HUD does NOT accept the lender's Reinstatement Cure, the lender's HUD-FHA Approval will be terminated and the lender IS NOT required to pay the \$1000 fee. The terminated lender will be required to go through the approval process again if they wish to re-establish their HUD-FHA Approval.

Step 1: From the inbox, click on the status link titled 'Withdrawn'.

Step 2: The 'Withdrawn Lender Appeal Procedure' page will be displayed. This page will outline HUD's policy for withdrawing a lender's HUD-FHA Approval status as well as a link to the Notice of Withdrawal letter that was sent by HUD. In addition, this page will also display any 'Deficiency Reasons' that the lender's original financial report may have generated. See below:



The screenshot shows a red header for 'Lender Assessment Electronic Submission' from the U.S. Department of Housing and Urban Development, Office of Lender Activities. Below this is a yellow box titled 'WITHDRAWN LENDER APPEAL PROCEDURE'. The text in the yellow box explains HUD-FHA requirements and states that the lender's approval is withdrawn. A blue link labeled 'HERE' is circled in red, and an orange arrow points from it to the text 'Click here to view the 'Notice of Withdrawal' letter.'

(Template continued on next page)

Pursuant to 24 CFR Part 25.8, your company may request a hearing in this matter. To expedite the resolution of this matter, you may bypass the hearing process and request reinstatement through HUD's streamlined reinstatement process. See Request for Reinstatement template, below, for more details. All requests for this reinstatement process must be made electronically. Selecting this process will automatically preserve your right to request a hearing in this matter, if necessary.

If you are not interested in the expedited process described above (or unable to resolve this matter through the streamlined reinstatement process described above), you may request a hearing in this matter. Hearing requests can be expedited by responding electronically through the Request for Hearing template, below. Hearing requests can also be made in writing (please include a copy of this document with the Lender Information completed). Written requests must be mailed to:

HUD MRB Docket Clerk
451 7th Street, SW., Rm. B-133 CEP Portals Bldg
Washington, DC 20410

All requests for either a hearing or to participate in the Reinstatement Process must be made within 30 days of receipt of the Notice. If HUD does not receive a response within these 30 days, this action may no longer have a right to a hearing in this matter.

This action in no way affects your company's continuing responsibility in connection with outstanding HUD-FHA insured mortgage loans and the obligation to pay all fees or premiums now or hereafter due the Department. HUD-FHA will not endorse any mortgage originated by a withdrawn lender unless, prior to the date of the withdrawal, a firm commitment has been issued related to any such mortgage or a direct endorsement underwriter has approved the mortgagor for any such mortgage, evidenced by the signing of a Mortgage Credit Analysis Worksheet. All other mortgages in process must be assigned to another HUD-FHA approved lender.

If your company has been approved to participate in the Department's multifamily mortgage insurance program, this action will not affect outstanding firm commitments, including insurance of advances made or to be made during construction under multifamily mortgage loans initially endorsed for insurance. However, conditional commitments must be assigned to another HUD-FHA lender approved for multifamily programs.

Effective upon receipt of your letter, the Department will not issue new case numbers or accept new applications for commitments (except as noted above) and will return all pending applications. We have advised all relevant Department Offices of this action.

If you have any question, please contact this office via telephone at (202) 755-7400, extension 161, via fax at (202) 755-0303, or via e-mail at HSG-Lender_Approval@hud.gov.

Deficiency reasons (if any) will be listed here



Deficiency Reasons	Reviewer's Comments
--------------------	---------------------

Lender Information	
Lender ID:	
Lender Name:	
Lender Street Name:	
Lender City:	
Lender State:	
Lender Zip Code:	
Fiscal Year End:	
Program Type:	
Contact Phone Number:	

Note: If the user clicks on the 'Here' link within the 2nd paragraph, the 'Notice of Withdrawal' letter that was sent to the lender will be displayed. After viewing the letter, to return to the 'Withdrawn Lender Appeal Procedure' page, simply click the 'Back' button in your browser.

Step 3: To continue with the appeals process after reading the 'Withdrawn Lender Appeal Procedure' page in its entirety, click 'Continue' at the bottom of the page.

Step 4: The page will load and will offer two options:

- Request for Reinstatement
- Request for a Hearing

See below:

Request for Reinstatement

This process allows a lender to enter into an expedited settlement with the Department. By selecting to go through this process, the lender preserves its right to later request a hearing in this matter in the event it is unable to cure its deficiencies and/or complete the Request for Reinstatement process.

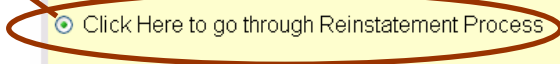
In order to be reinstated, you must first:

1. Cure all deficiencies noted above under "Deficiency Reasons,"
2. Pay the Department a Reinstatement Fee of \$1,000,
3. Be current on any outstanding financial obligations owed to the Government, and
4. Sign a settlement agreement with the Department.

All cures must be submitted and approved by the Office of Lender Approval (OLA) within 30 days of submitting your Request for Reinstatement. Therefore, to meet this 30-day requirement, cures must be submitted as quickly as possible, but no later than 14 days of the Request for Reinstatement. OLA will then review your submission and reach a decision on whether to accept or reject your cures. Once your Request for Reinstatement is submitted, you will be directed to the proper screen so that you can submit your cures.

[Click Here to go through Reinstatement Process](#)

Reinstatement process



(Template continued on the next page)

Request for a Hearing

HUD regulations at 24 CFR § 25.8 permit a lender to request a hearing after the Department takes an administrative action such as the withdrawal at issue. Requests must be made within 30 days of receipt of its withdrawal notice. A hearing would be held before a hearing official designated by the Mortgagee Review Board. A member of the Office of General Counsel will contact you to schedule this hearing. Further details regarding the hearing process can be found at 24 CFR § 25.8.

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451 7th Street, SW., Rm. B-133 CEP Portals Bldg
Washington, DC 20410

Enter comments here:

Click Here to request a hearing

[Continue](#)

Hearing process

Note: To complete the 'Request a Hearing' process, please refer to **Section 7.1.1 'Requesting a Hearing' of this User's Manual**.

Step 5: To proceed with the reinstatement process; click on the radio button next to 'Click Here to go through Reinstatement Process'. See the previous screenshot above.

Step 6: After clicking the radio button, click on 'Continue' at the bottom of the page. The page will reload and the user will be brought back to the inbox. At this point, the status in the table will now read 'Reinstatement Draft Cure'.

Step 7: To continue with the appeal process, click on the 'Reinstatement Draft Cure' link in your inbox. After clicking on this link, you will be brought to one of three screens:

1. Create a Cure Page
2. Balance Sheet
3. Parent/Subsidiary Page

Step 8: If you were brought to the Parent/Subsidiary question, please answer these questions appropriately and proceed through the submission. For more information on answering these questions, please refer to Section 3.0 'Create & Delete a Submission'.

Step 9: If you were brought to the Create Cure page, please refer to Section 5.13 'Response to a Deficient Submission' for instructions on submitting a cure.

Step 11: If you were brought to the Balance Sheet in an editable format, correct any data that needs to be corrected in order to cure your deficiencies. For more information on completing from this point, please refer to Section 5.0 – 5.12.

Step 12: Once the user is finished either attaching a cure or filling out the forms, click the submit link at the top of the page. At this point, if the lender submitted an attachment as the cure, click the 'Submit Financial Data' button to submit to HUD.

If the user made corrections to the actual financial forms or started from the Parent/Sub questions, click the 'Submission Completeness Check' button and follow the instructions on the screen. After this, the lender must submit the financial report to his/her Auditor (IPA). The IPA can either agree or disagree with the report. If he/she agrees with the report, the user must then submit the report to HUD for review. If the IPA disagrees with the report, the lender must correct items that the IPA disagreed with and resubmit them to the IPA until the IPA agrees with the financial report.

*Note: For detailed instructions on Submitting to the Auditor (IPA), please refer to **Section 5.9 – Submit to IPA** of this manual. For detailed instructions on how the IPA agrees or disagrees with the report, please refer to **Section 5.10 – Auditor Procedures** of this manual. For detailed instructions on submitting the report to HUD for review, please see **Section 5.12 – Submit to HUD for Review** of this manual.*

Step 11: After submitting to HUD, log back into your inbox. If the status reads 'Reinstatement Pending', this means HUD has accepted your Reinstatement Cure. Click on the 'Reinstatement Pending' link.

Note: If the lender logs into their inbox and the status reads 'Terminated' this means the Reinstatement Cure was not accepted.

Step 12: After clicking on the 'Reinstatement Pending' link, the page will reload and the Settlement Agreement will be displayed. To continue with the reinstatement process, the Settlement Agreement must be signed. To sign the Settlement Agreement, the user must enter in his/her full name in the 'By' field at the bottom of the Settlement Agreement. The user must also enter in his/her title in the 'Title' field. See below:

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C.

In the Matter of:)	
)	
)	Mortgagee No
Respondent)	
)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into between the Mortgagee Review Board of the United States Department of Housing and Urban Development (HUD) and (hereinafter "the Mortgagee").

WHEREAS, the Mortgagee is a Title 2 Non-Supervised Mortgagee; lender located in DAVIS, CA.

WHEREAS, the Mortgagee is required, pursuant to Section 202 of the National Housing Act (12 U.S.C. 1709) and 24 C.F.R. Part 202, and pursuant to the conditions under which the Mortgagee obtained approval to participate in certain Federal Housing Administration (hereinafter "FHA") programs, to electronically submit to HUD, within 90 days of the close of each fiscal year of the Mortgagee, an acceptable audit report;

WHEREAS, the Mortgagee's Fiscal Year for 2004 ended March 31, 2004;

WHEREAS, the Mortgagee failed to submit its Fiscal Year Ending March 31, 2004 audit report timely and in a manner prescribed by HUD, and continued in such failure to submit such report;

WHEREAS, HUD exercised its authority to take an administrative action against the Mortgagee pursuant to 24 C.F.R. Part 25;

WHEREAS, HUD withdrew the HUD-FHA approval of the Mortgagee as a result of such failure to submit such audit report, by notice dated (the Notice);

WHEREAS, the Mortgagee and HUD mutually desire to avoid further expense and administrative proceedings and to reach a satisfactory resolution of this matter;

WHEREAS, the Agreement is for the purpose of resolving the withdrawal action taken by HUD as a result of the Mortgagee's failure to electronically submit the required audit report and does not affect any other matter;

WHEREAS, the Mortgagee has now submitted electronically to HUD's Lender Approval Subsystem (LASS), an acceptable report;

7.0 Appeal of a Withdrawn HUD-FHA Approval

WHEREAS, the Mortgagee shall remit to HUD, along with this Agreement, a payment of a reinstatement fee of \$1,000.00; and

NOW, THEREFORE, HUD and the Mortgagee agree as follows:

1. This Agreement shall become effective upon its execution by the Chairman of the Mortgagee Review Board or his duly authorized designee (Effective Date),

2. Upon execution of this Agreement by the Mortgagee, the Mortgagee shall mail a reinstatement fee of One Thousand Dollars (\$1,000) to HUD at the following address:

US Department of Housing and Urban Development
490 L'Enfant Plaza East SW
Suite 3214
Washington, DC 20024.

3. HUD's withdrawal action shall terminate on the Effective Date of this Agreement, and the HUD-FHA approval of the Mortgagee shall be reinstated as soon as practical after such date;

4. The Mortgagee will henceforth submit to HUD, in a timely fashion, an acceptable audit report, filed electronically to LASS, with respect to each fiscal year of the Mortgagee.

5. The Mortgagee agrees to fully comply with all applicable rules, regulations, and requirements of HUD.

6. Any breach of the terms and conditions of this Agreement shall constitute independent grounds for imposition of administrative sanctions by HUD against the Mortgagee pursuant to 24 C.F.R. Part 25.

7. The Mortgagee hereby waives, releases, and remits any and all claims, directly or indirectly, that it may have with respect to this administrative action or the Notice.

8. Each party shall bear its own costs and legal fees.

WHEREFORE, the parties hereto have duly executed this Settlement Agreement.

Date: Jul 14 2004 02:23 PM

By:

Title:

Enter Name and Title in the spaces provided

Date: _____

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
By: Philip A. Murray
Title: Director, Office of Lender Activities
And Program Compliance

Step 13: After filling in the 'By' and 'Title' fields, to complete the Settlement Agreement, click on the 'I Accept This Agreement' button at the bottom of the page.

Note: The lender will have 2 weeks from the time he/she signs the Settlement Agreement to submit the \$1000 reinstatement fee to HUD. If HUD does not receive the payment within 2 weeks, the lender's HUD-FHA Approval status will be terminated.

Step 14: After completing the previous step, the user will automatically be brought back to the inbox and the status will read 'Awaiting Payment'. The status will remain in 'Awaiting Payment' until HUD receives your \$1000 reinstatement fee. Once the fee is received, when the user clicks on the 'Awaiting Payment' link the status will change to 'Reinstated'.

Note: If the lender's status is 'Reinstated', the lender will not have to submit to LASS until the end of the lender's next Fiscal Year End. If the lender's status is 'Terminated', to re-establish their HUD-FHA Approval status, the lender will be required to go through the FHA Application approval process. For information on the approval process, please call 202-755-7400 Ext 161.