



State Home Foreclosure Prevention Project

State Home Foreclosure Prevention Project (SHFPP) Managed by the North Carolina Housing Finance Agency (NCHFA) Frequently Asked Questions for Servicers

The following FAQs are intended to provide guidance to Servicers regarding compliance with the requirements of Article 11, Chapter 45, of the N.C. General Statutes, which amended the Emergency Foreclosure Reduction Program established in 2008, by Session Law 2008-226, ([HB 2623](#)) and amended by Session Law 2010-168, ([SB 1216](#)), s.1-5, and Session 2011-288, s. 1-5 ([HB 484](#)). Further amended by Session Law 2012-79, ([SB 826](#)). A copy of the current law may be found [here](#) (see pages 14 and 15).

1. Who is required to file information with the pre-foreclosure database?

For any foreclosure filed on or after November 1, 2010, any person, entity, or mortgage Servicer that services “home loans,” as that term is defined in N.C.G.S. 45-101(1b) must file information with the pre-foreclosure database.

2. What is a “home loan” under N.C. G.S. 45-101?

A “home loan” is a loan which:

- A. Was made to a natural person; **AND**
- B. Is a debt incurred by the borrower primarily for personal, family or household purposes; **AND**
- C. That is not a “jumbo loan” pursuant to Fannie Mae guidelines **at the time of origination**; **AND**
- D. Is secured by an interest in the borrower’s principal dwelling for property located in the State of North Carolina; **AND**
- E. Is secured by:
 - a. a security interest in a manufactured home as defined in G.S. 143-145; OR
 - b. a mortgage or deed of trust on real property upon which is located an existing structure designed principally for occupancy of from one to four families; OR
 - c. a mortgage or deed of trust on real property upon which there is to be constructed using the loan proceeds a structure or structures designed principally for occupancy of from one to four families, which when completed, will be the borrowers principal dwelling; **AND**
- F. A purpose of the loan is to:
 - a. Purchase the dwelling; OR
 - b. Construct, repair, rehabilitate, remodel or improve the dwelling or the real property on which it is located; OR
 - c. Satisfy and replace an existing obligation secured by the same real property; OR
 - d. Consolidate existing consumer debts into a new “home loan.”



3. What loans types are excluded from the “home loan” definition under N.C.G.S. 45-101?

The following loans types are excluded:

- A. An equity line of credit as defined in N.C.G.S. 24-9; OR
- B. A construction loan which is due and payable in full not later than 18 months from the date of origination or otherwise defined in N.C.G.S. 24-10; OR
- C. A reverse mortgage; OR
- D. A bridge loan with a term of 12 months or less.

4. How is information filed with the pre-foreclosure database?

Servicers and individual noteholders will log into <https://www.nchfa.org/SHFPPOnline/fcs/Companylogin.aspx> to submit filings. The link can also be used to request access to the system.

5. When is the pre-foreclosure filing database available?

The [pre-foreclosure database](#) is available 7 days a week 24 hours a day. Servicers may access the database through each of the following ways:

- Direct System Link: <https://www.nchfa.org/SHFPPOnline/fcs/Companylogin.aspx>
- Administrative Office of the Courts Website: <http://www.nccourts.org/>

6. What is the required contact information that must be included in the pre-foreclosure notice?

The required contact information for the pre-foreclosure notice is for the NC Housing Finance Agency. The address is 3508 Bush Street, Raleigh NC 27609-7509, and the telephone number is 1-888-442-8188.

7. Where can a Servicer find a list of HUD-approved counseling agencies operating to assist borrowers to avoid foreclosure?

The U.S. Department of Housing and Urban Development maintains a list of HUD-approved counseling agencies. The HUD website is www.hud.gov and the list is located under the Resources option. In addition, a list of HUD-approved counseling agencies can be located on the NC Housing Finance Agency website using the following link: <https://www.nchfa.com/current-homeowners/find-housing-counselor>.

8. When does the Servicer have to file the information with the pre-foreclosure database?

The mortgage Servicer must file certain information with the pre-foreclosure database within three (3) business days of mailing the pre-foreclosure notice required by N.C.G.S. 45-102. If more than three (3) business days have passed and the Servicer has not entered the required information into the database, a new 45 day pre-foreclosure notice must be mailed and the matter entered into the pre-foreclosure database within three (3) business days of the subsequent letter.



9. What information is *required* to be filed with the pre-foreclosure database?

Servicers will need to provide the following information for every notice submitted to the database:

- A. Name of the borrower(s);
- B. Address of the borrower;
- C. Date the pre-foreclosure notice was mailed to the borrower; and
- D. Due date of the last scheduled payment made by the borrower – this will be the regularly scheduled due date of the last full payment received from the borrower.

10. What additional *optional* information will Servicers be able to provide to assist the State Home Foreclosure Prevention Project’s outreach efforts to homeowners?

The database will permit Servicers to provide additional contact information for homeowners which may enable the State Home Foreclosure Prevention Project to target its outreach efforts and to connect homeowners with a housing counselor.

11. Are there any origination dates that would eliminate the need to file a loan with the database?

No. For any loan for which foreclosure proceedings are begun on November 1, 2010, or after, all time period limitations were eliminated pursuant to S.L. 2010-168. Any loan that meets the definition of a “home loan” under N.C.G.S. 45-101 must be entered into the database prior to proceeding with foreclosure regardless of the date of origination.

12. Why are phone numbers of homeowners requested?

A key component of our program is the State Home Foreclosure Prevention Project’s effort to contact homeowners directly. We have the capacity to make outbound phone calls to homeowners to complement existing efforts by Servicers to reach homeowners and connect them with a housing counselor. Please provide phone numbers, if available, to allow us to assist you in reaching borrowers as well as to support our outreach efforts.

13. Can a Servicer send in a batch file of pre-foreclosure notice filings?

The batch filing option is available for Servicers submitting large volumes of filings. Interested Servicers should contact batchupload@nchfa.com for additional information.

14. What evidence will Servicers need to prove they have complied with this program?

Clerks of Court are vested with the authority to determine if a foreclosure filing meets the requirements of Chapter 45. The pre-foreclosure database enables Servicers to print a certificate directly from the database which indicates that the loan was filed in the database, that the Servicer has submitted the date of the pre-foreclosure notice to the database, and that the period of time required by the statute has elapsed as of a particular date. This certificate cannot be printed prior to the end of the time period required by the statute.



15. What should a Servicer do if servicing is transferred after the filing, but before the filing of the foreclosure proceeding?

If servicing is transferred after a pre-foreclosure notice is filed, the new Servicer should send the homeowner a new pre-foreclosure notice and re-file the information with the database to ensure the homeowner has received the correct contact information for the mortgage Servicer authorized to work with the borrower to avoid foreclosure. The new filing will ensure that the correct certificate is available to the Servicer.

16. How will Servicers be notified if the NCHFA extends the foreclosure filing date by 30 days?

The NCHFA will notify the Servicer by mail at the contact address provided in the database. In addition, Servicers can review the status of each loan submitted to the database to identify if a foreclosure filing date has been extended.

Additionally, IF Servicers have filed a contact email address within each loan filing, an email notification email will be sent to that email address. A mailed notice will still follow to the contact address provided in the database.

17. Is there a fee for filing a loan in the database?

Yes. Upon the filing of the information required under N.C.G.S. 45-103, the mortgage Servicer shall pay a fee of seventy-five dollars (\$75.00) to the State Home Foreclosure Prevention Trust Fund. The fee shall not be charged more than once for a “home loan” covered by N.C.G.S. Article 11 of Chapter 45.

18. How does billing and fee payment work?

General Process:

- A. All fees, invoicing and payment processes is handled through the [pre-foreclosure database](#);
- B. No paper invoices will be provided to the Servicer;
- C. Monthly invoices will be available by logging into the pre-foreclosure database
- D. ACH payments or paper checks are accepted;
- E. Failure to submit timely payment will result in a freezing of the Servicer’s ability to use the pre-foreclosure database.

Fees:

- A. The \$75.00 fee is assessed to the Servicer at the time a loan is initially submitted to the pre-foreclosure database;
- B. The fee for each loan will be invoiced on the first day of the month following the date the loan was submitted to the database;
- C. No fee is incurred for subsequent filings of the same loan in the database; providing the loan origination information is accurately entered in subsequent filings.



Invoicing:

- A. Invoices will be electronically generated on the first day of the month; however, paper invoices will not be mailed;
- B. All loans will be billed monthly on the first of the month following the date the loan was registered in the database (e.g. all loans submitted during January 2018 will be billed February 1, 2018);
- C. Invoices will be available to the Servicer by logging into the [pre-foreclosure database](#);
- D. Notice of generated invoices will be sent by email to the contacts provided by the Servicer;
- E. The Servicer can access both unpaid and paid invoices by selecting the appropriate option on the Servicer homepage in the pre-foreclosure database.

Payment:

- A. All invoices are due 15 days after the invoice date;
- B. The invoice will be late if not paid within 15 days of when the invoice was generated;
- C. Payment must be by ACH or paper check;
- D. If a partial payment is remitted, the balance of the invoice cannot be paid by ACH, a paper check must be submitted;
- E. If the Servicer chooses to pay by ACH, the database will request the necessary bank account information for payment processing. The information is not stored and must be entered each time the Servicer pays by ACH;
- F. If the Servicer chooses to pay by Paper Check, to ensure prompt processing, please adhere to the following:
 - o For standard USPS mail: send to P.O. Box 28066, Raleigh, NC 27611
 - o For overnight mail: send to 3508 Bush Street, Raleigh, NC 27609
 - o Include the SHFPP invoice ID in the memo of the check
 - o Send to the attention of “SHFPP Payments Team”
- A. Once payment has been received by NCHFA, the pending invoice will be marked as paid and will be available for viewing through the “Paid Invoice” link.

Penalty for non-payment:

- A. The Servicer will not be able to submit new pre-foreclosure filings until the invoice is paid and the certificate may not be available for printing;
- B. Notice of unpaid invoices will be sent by email to contacts listed in the database.

SHFPP Filing Fee Credit Request Process:

- A. If a Servicer thinks they have been charged the \$75.00 fee in error, the Servicer must pay the invoice in full and request a credit.
- B. To request a credit for a filing fee charged in error, Servicer must request a credit through the “Invoice Detail Page” of the [pre-foreclosure database](#).
- C. If a credit is approved, the credit will appear on the next invoice following the notification of the credit. Invoices will only be generated if new pre-foreclosure filing activity equals or exceeds the amount of credits approved (If 15 new pre-foreclosure filings are submitted in January, 2018 and 20 credits are approved in that same month, the system will generate a zero balance invoice on February 1, 2018. The additional 4 credits owed to the Servicer will sit in a to-be-invoiced queue until 4 additional new filings are submitted by the Servicer).



19. How does a Servicer pay an invoice by ACH?

Invoices can be paid directly through the [pre-foreclosure database](#) by ACH. The payment information should be entered directly into the database, through the “Unpaid Invoice” link. Note – paper check payments are also accepted.

20. What if I cannot print the certificate?

- A. A certificate will not be available for loans submitted to the database by a Servicer with an outstanding balance due to the State Home Foreclosure Prevention Trust Fund.
- B. The certificate will not be available for printing prior to the earliest possible court filing date shown for the particular loan.
- C. The certificate will not be available for printing if the Servicer received an error code indicating a problem with the information submitted to the database address.
- D. The certificate will not be available for printing if the address provided in the system is Lot and not a physical address recognized by the United States Postal Service.

21. Where can a Servicer get assistance with SHFPP Certificate questions or issues?

The Servicer can email certificates@nchfa.com or call (919) 981-2675 for questions or concerns regarding certificates.

22. Where can a Servicer get assistance with SHFPP filing fee credit request questions or issues?

The Servicer can email FilingFeeCredits@nchfa.com or call (919) 981-2675 for questions or concerns regarding SHFPP filing fee credit requests.

23. Where can a Servicer get assistance with SHFPP invoice payment questions or issues?

The Servicer can email FilingFees@nchfa.com or call 919-981-2675 for questions or concerns regarding SHFPP invoice payment.

24. Where can a Servicer get assistance with new or existing [pre-foreclosure database](#) access &/Or contact update questions or issues?

The Servicer can email PreFCFilingAccess@nchfa.com or call 919-981-2675 for questions or concerns regarding new or existing company access &/Or contact updates.

25. Where can a Servicer get assistance with 30 Day Extension questions or issues?

The Servicer can email certificates@nchfa.com or call 919-981-2675 for questions or concerns regarding 30 day extensions.



26. Where can a Servicer get assistance with submitting filings via batch upload?

The Servicer can email batchupload@nchfa.com for questions or issues regarding batch uploads. **Note:** The Servicer must reach out to internal IT staff to confirm that the file being uploaded meets the NCHFA batch file specifications before reaching out to NCHFA for assistance.

27. Where can a Servicer get assistance with questions concerning statutory filing requirements?

The Servicer can email Mary Holder at mmholder@nchfa.com or call (919) 981-2511 for questions or concerns regarding statute filing requirements.

