



CRFS 2020 CASE STUDY

FHA Claims Refund Project



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the standard
since 2002

CRFS Real World Case Study 2020-01

FHA Claims Refund Project

- **Client:** Large non-bank mortgage servicer
- **Challenge:** The client was not confident it had available internal analytical resources to deliver a time sensitive project involving claim recovery refunds that needed to be identified, calculated and submitted to the FHA in advance of a pending HUD Claims Audit. The project encompassed 1,570 loans potentially requiring refunds on behalf of the investor totaling almost \$2 million.
- **Solution:** CRFS proposed deploying an experienced consultant to review each claim, determine the applicable refund, calculate any interest amount tied to the refund, and then process the refund – all within two weeks.
- **Value Add:** CRFS completed the project 7 business days after the client sent the final inventory of loans. CRFS submitted an average of 224 refunds per day worth approximately \$1,157 per refund over that 7-day period. As a result of the project, the client was able to mitigate risk exposure to the investor of \$1.8 million at a cost equal to a tiny fraction of the exposure.