

Completing the Reconciliation of Interest Rate / Pass-Through Rate – Schedule 2 (Form 473A)

Overview

Every month, a servicer must use Reconciliation of Interest Rate/Pass-Through Rate - Schedule 2 (Form 473A) to identify discrepancies in interest rates and pass-through rates for all four remittance types: Actual/Actual (A/A), Scheduled/Actual (S/A), Scheduled/Scheduled MRS Acquired (S/S Cash), and/or Scheduled/Scheduled MBS (S/S MBS).

Schedule 2 documents which loans have interest rate and/or pass-through rate differences, identifies the entity (either the servicer or Fannie Mae) that is responsible for the resolution of the reconciling item and documents any cumulative effect on the servicer’s shortage/surplus.

The servicer must prepare a separate Schedule 2 for each remittance type and unique 9-digit branch number.

Completing Schedule 2

Use the following documents to complete Schedule 2:

Form	Location
Schedule 2 (Form 473A)	<ul style="list-style-type: none"> • Interactive PDF • Microsoft Excel® • Print and complete by hand
Fannie Mae’s Trial Balance	<ul style="list-style-type: none"> • FM Connect → Report Center → Loan Servicing → Trial Balance Report: Part A Summary
Servicer’s Trail Balance	<ul style="list-style-type: none"> • Servicer’s system
Remittance Update Report (LRRO1401) / Part 1, Section B.1 Rejected Transactions (Soft)	<ul style="list-style-type: none"> • FM Connect → Report Center → Loan Servicing → Remittance Update Report
Accepted Transaction Reports (or Enhanced Reports – downloaded from SURF™)	<ul style="list-style-type: none"> • FM Connect → Report Center → Loan Servicing → Accepted Transactions
Loan Activity Rejects Report (or Original SURF LAR Rejects Lists – after LAR uploads prior to any corrections)	<ul style="list-style-type: none"> • FM Connect → Report Center → Loan Servicing → Loan Activity Rejects Report



Step 1: Header Section

Complete the header section of Schedule 2.

Field	Information
Month Reconciled	Enter the month and year for which you are reconciling.
Servicer Number	Enter your 9-digit Seller/Servicer number.
Remittance Type	Check the applicable remittance type -A/A or S/A.
Page	Specify the page number and total number of pages.

Schedule 2 Reconciliation of Interest Rate/Pass-Through Rate		Month Reconciled	<input type="text"/>
<input type="checkbox"/> A/A <input type="checkbox"/> S/A <input type="checkbox"/> S/S Acquired <input type="checkbox"/> S/S MBS		Servicer Number	<input type="text"/>
			Page <input type="text"/> of <input type="text"/>

Example: Schedule 2 Header Information

Step 2: Loan Entries

Identify any loans with Interest Rate and/or Pass- through Rate differences.

Field	Information
Fannie Mae Loan Number	<p>Enter the Fannie Mae loan number for each identified item.</p> <p><i>NOTE: Identified items are loans with an Interest Rate or Pass-Through Rate difference. The difference is found using the Remittance Update Report, Trial Balance comparisons, and/or other means.</i></p> <p><i>NOTE: A loan that is already included on Schedule 1 should not be included on Schedule 2 -even if the loan has an Interest Rate or Pass-Through Rate difference. If the loan has an identified difference in the loan count, fixed installment and/or unpaid principal balance (UPB), then include the loan on Schedule 1 only.</i></p> <p>If no differences are identified, skip to Step 3.</p>
F/S	Enter the name of the entity that is responsible for the resolution of the reconciling item. Enter F for Fannie Mae or S for Servicer.
Explanation of Differences	<p>The Explanation of Differences requires the following information:</p> <ul style="list-style-type: none"> • Item status (new, pending, resolved) • Root cause/reason for the difference • LPI Date of the loan • Corrective action required/taken • Effective clearance date/date of change <p>Attach relevant documentation to the specified corrective action.</p>



Field	Information
Age	Enter the age of item (number of days in 30 day increments) the item has been on Schedule 2 – 0, 30, 60, 90, 120, 150 etc..
Interest Rate-Fannie Mae’s record	Enter the Interest rate that corresponds with the utilized Fannie Mae report.
Interest Rate-Lender’s record	Enter the Interest rate that corresponds with the Servicer’s Trail Balance.
Pass-through-Fannie Mae’s record	Enter the Pass-Through Rate that corresponds with the utilized Fannie Mae report.
Pass-Through-Lender’s record	Enter the Pass-Through rate that corresponds with the Servicer’s Trial Balance.
Effect on Shortage/Surplus	<p>If the reconciling item effects the Shortage/Surplus, enter the specific amount found on the Remittance Update Report under \$ Difference.</p> <p>If a loan has been rejecting for multiple months, the cumulative total will be the sum of each month the loan rejected.</p> <p><i>NOTE: The effect on shortage/surplus is not applicable for S/S MBS loans.</i></p> <p><i>NOTE: Use parentheses for negative numbers. However, if you are using the interactive PDF, enter a minus sign in front of the number. Once you click out of the field, the number appears in parentheses.</i></p>

Fannie Mae Loan Number	F/S	Explanation of Differences <i>Should include effective date of change and the LPI Date of the loan.</i>	Age (days)	Interest Rate per Fannie Mae’s Records	Interest Rate per Lender’s Records	Pass-Thru per Fannie Mae’s Records	Pass-Thru per Lender’s Records	Effect on Shortage/Surplus
4000000680	S	Resolved - no Service Fee setup on system. Eff 03/11. Corrected systems. Recovered surplus 04/15/11	0	5.875%	5.875%	5.625%	5.875%	\$13.92
4000000645	S	Resolved - Incorrect Service Fee setup on system. Eff. 03/11. Updated from .50 to .25 recovered shortage 04/11	0	4.375%	4.375%	4.125%	3.875%	(\$26.90)

Example: Schedule 2 Loan Entries



Step 3: Shortage/Surplus Totals

Enter the shortage/surplus totals.

Field	Information
Total this Page	Enter the total of all values for the page in the Effect on Shortage/Surplus column.
Grand total – Balance carried forward to Line 2 Shortage/Surplus Reconciliation	Enter the totals of all values in the Effect on Shortage/Surplus column of all pages, if applicable. If you used only one page, enter the same total that you entered under Total this Page below. Enter this total in Schedule 3, Line 2 (Form 472).

Fannie Mae Loan Number	F/S	Explanation of Differences <i>Should include effective date of change and the LPI Date of the loan.</i>	Age	Interest Rate per Fannie Mae's Records	Interest Rate per Lender's Records	Pass-Thru per Fannie Mae's Records	Pass-Thru per Lender's Records	Effect on Shortage/Surplus
4000000680	S	Resolved - no Service Fee setup on system. Eff. 03/19. Corrected systems. Recovered surplus 04/15/19.	0	5.875%	5.875%	5.625%	5.875%	\$13.92
4000000645	S	Resolved - incorrect Service Fee setup on system. Eff 03/19. Updated from .50 to .25. Recovered shortage 04/11/19.	0	4.375%	4.375%	4.125%	3.875%	(\$26.90)
Total this Page								(12.98)
Grand Total - Balance Carried Forward to Line 2 Shortage/Surplus Reconciliation								(12.98)

Example: Schedule 2 Shortage/Surplus Totals

Step 4: Footer information

Complete the following sections of the footer:

Field	Information
Servicer Name	Enter the name of your company.
Prepared By	Enter your printed name and your signature. If using the interactive PDF, sign the form after printing.
Phone Number	Enter your phone number.
Date	Enter the date you signed the Schedule 2.
Approved By	Enter the designated second signature (approver) for your company. If using the interactive PDF, sign the form after printing it.
Phone Number	Enter the approver's phone number.
Date	Enter the date the approver signed Schedule 2.

Servicer Name	Anytown Bank and Trust			
Prepared By (Name and Signature)	Susie Servicer	Phone Number:	555-555-5555	Date
Approved By (Name and Signature)	Bart Boss	Phone Number:	555-555-5555	Date
				April 21, 2019
				April 21, 2019

Example: Schedule 2 Footer Information



Step 5: Common Errors

Prior to finalization, review your completed Schedule 2 to ensure that you eliminate common errors frequently identified during a Fannie Mae compliance review. Below are some of the common errors found during a Fannie Mae compliance review.

Field	Information
Fannie Mae Loan Number	If a loan already appears on Schedule 1, even if it has an Interest Rate or Pass-Through Rate difference, do not include it in the Schedule 2.
F/S	Ensure that you enter F or S indicating the name of the entity the system's needs to correct the reconciling item.
Explanation of Differences	Include all required items listed in Step 2. <i>NOTE: Take prompt action to resolve reconciling times including communicating and submitting documentation to Fannie Mae when data is incorrect in Fannie Mae's system.</i>
Age	Ensure you age reconciling items (0, 30, 60, 90, 120, 150 etc.).
Effect on Shortage/Surplus	Ensure you enter the cumulative amounts in this column. <i>NOTE: Shortages must be entered as negative amounts in parenthesis. However, if you use the Interactive PDF, enter a minus sign in front of the number. Once you click out of the filed, the number appears in parentheses.</i>
Prepared By	Ensure the Schedule 2 is signed and dated by the preparer. <i>NOTE: The preparer and approver must be separate individuals.</i>
Approved By	Ensure the Schedule 2 is signed and dated by the approver. <i>NOTE: The preparer and approver must be separate individuals.</i>
General	Ensure there are no mathematical errors, particularly if there are both positive and negative numbers.