



SMDU Post-Forbearance Mortgage Loan Modification Submission Job Aid in Support of COVID-19

March 26, 2020

POLICY UPDATES

In support of policy introduced in [Fannie Mae Lender Letter LL-2020-02](#) that extends the availability of the post-disaster forbearance mortgage loan modifications to borrowers impacted by COVID-19, SMDU will evaluate borrowers who are impacted by COVID-19 for all disaster relief modifications including Extend Modification for Disaster Relief (EMOD), Cap and Extend Modification for Disaster Relief (CMOD), and FLEX Modification (as noted in the Fannie Mae Servicing Guide section entitled, Unique Requirements for a Property Impacted by an Eligible Disaster).

- Refer to pages 1-3 for using SMDU to evaluate a borrower for a Workout Option after a Disaster-Related or COVID-19-Related Forbearance.
- Refer to pages 3-4 for using SMDU to evaluate a borrower for a Cap and Extend Modification for Disaster Relief when SMDU determined the borrower is Eligible for the Extend Modification for Disaster Relief.

How to Use SMDU to Evaluate for a Workout Option after a Disaster-Related or COVID-19-Related Forbearance

SMDU will evaluate a mortgage loan for a post-disaster or post-COVID-19 related forbearance mortgage loan modification in the following circumstances:

- the property securing the mortgage loan or the borrower's place of employment is located in a Federal Emergency Management Administration (FEMA)-Declared Disaster Area eligible for Individual Assistance, or
- a borrower has experienced a hardship resulting from COVID-19.

Please note: A servicer using SMDU via the SMDU UI may refer to the screen shots below on how to provide the additional data needed to evaluate a loan for the Fannie Mae post-forbearance mortgage loan modifications. A servicer using a B2B platform should refer to their respective platform documentation for details on how to provide the additional data.



Provide the Following Additional Information to SMDU:

1. Report the Disaster-Related or COVID-19-Related Forbearance, as applicable, as a Prior Workout Record

In order for a borrower to be evaluated for a post-forbearance mortgage loan modification he/she must have been previously placed on a disaster-related or COVID-19-related forbearance plan, as applicable. This forbearance plan must be reported to SMDU as a Prior Workout Record and include the information noted in the table below. The screen shot below reflects how this information should be reported.

DD463 – Prior Workout Status Date	DD462 – Prior Workout Status Type Code	DD461 – Prior Workout Type Code
N/A – will not affect the evaluation for disaster modification	4 - Accepted by Borrower	FBO – ForbearancePlan (Standard) or FBO – ForbearancePlan (Other/Non-Standard)
N/A – will not affect the evaluation for disaster modification	5 - Provisional payment	
This date must be within 90 days when the servicer requests a SMDU trial evaluation	6 - Permanent Completed Workout	

Submitting the Forbearance Plan as a Prior Workout Record via the SMDU UI:

2. Report the hardship as “Disaster” (Enumeration 19) in the Hardship Reason Code (DD150). The screen shot below is how this information should be reported via the SMDU UI.

- Start Date is required
- End Date is only required when applicable

Note: Servicers may enter up to three hardships.



Imminent Default

Is loan in danger of an immediate or inevitable default (IDI)?

Hardships

Reason	Start Date	End Date	Primary Hardship Duration	Primary Hardship
Disaster	MM/DD/YY	MM/DD/YY	Select...	

+ Add Additional Hardship

Disaster must be selected.

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- Report the Borrower income as NULL (not \$0.00)** The screen shot below is how this information should be reported via the SMDU UI.

Borrower One

Representative Credit Score Credit Score Type

Does borrower currently occupy property as primary residence? Has borrower ever filed for bankruptcy?

Assets	Income	Expenses
\$0.00	\$0.00	\$0.00

Income must be NULL (not \$0.00)

In the UI this example represents "null" income (no line item provided). Refer to the Note below for additional context.

NOTE: Per the screenshot above, the servicer correctly reported null income in the SMDU UI. The reference to \$0.00 does not apply to the individual income line item. That feature tallies line items when provided by a servicer.

SMDU Trial Response

- If all of the trial evaluation information is successfully submitted to SMDU, SMDU will return the applicable eligibility results in the SMDU Trial Response.
- The following new message will be returned in the SMDU Trial Response when the borrower is Eligible for the Extend Modification for Disaster Relief, the Cap and Extend Modification for Disaster Relief, or the Flex Modification for Disaster Relief (referenced in [LL-2017-09R](#) as the Fannie Mae Flex Modification based on the *Unique Requirements for a Property Impacted by an Eligible Disaster*).

The servicer represents the property securing the mortgage loan or the borrower's place of employment is located in a FEMA Declared Disaster Area eligible for Individual Assistance or, as applicable, the borrower has been impacted by COVID-19 and the mortgage loan was current or less than 31 days delinquent at the time of the disaster or, as applicable, at the time of the March 13, 2020 National Emergency Declaration related to COVID-19. If the servicer cannot make these representations, contact SMDU support for assistance. (Message ID 6127)



- If the borrower is found Ineligible for Extend Modification for Disaster Relief then SMDU will automatically evaluate the borrower for the next workout in the hierarchy, which is the Cap and Extend Modification for Disaster Relief, followed by the Flex Modification for Disaster Relief.

Per [LL-2017-09R](#) (*Reviewing for a Workout Option after a Disaster-Related Forbearance*) a servicer may evaluate a borrower for the Fannie Mae Cap and Extend Modification for Disaster Relief when the borrower is Eligible for Extend Modification for Disaster Relief, but the servicer determines that Extend Mod is not the appropriate workout as described in the LL-2017-09R. *Please refer to the applicable scenario below.*

Evaluate for Fannie Mae Cap and Extend Modification for Disaster Relief When Borrower Is Eligible for the Extend Modification for Disaster Relief

The servicer must report the Eligible Extend Mod to SMDU as a Prior Workout Record and include the information noted in the table below. Refer to the screen shot below on how this information should be reported.

Prior Workout Status Date (DD463)	Prior Workout Status Code (DD462)	Prior Workout Type Code (DD461)	Prior Workout Activity Type Code	Fail/Cancel Reason (DD464)
Date the Workout was Offered to the Borrower	2-Evaluated-Qualified or 3-Offered to Borrower	Extend Modification Disaster	Failed/Cancelled/ Denied	Offer Not Accepted by Borrower/ Request Withdrawn

SMDU UI: Reporting the Extend Modification for Disaster Relief as a Prior Workout

The screenshot shows the SMDU UI for reporting a prior workout. The form is titled "Prior Workout History" and includes a "Submit to SMDU for Evaluation" button. The form fields are as follows:

- Status Date:** A date field with a callout: "Date the Workout was Offered to the Borrower".
- Status:** A dropdown menu with options "Evaluated-Qualified" and "Offered to Borrower". A callout points to these options: "Select 'Evaluated-Qualified' or 'Offered to Borrower' from drop down menu".
- Workout Type:** A dropdown menu with the option "Extend Modification Disaster". A callout points to this option: "Select 'Extend Modification Disaster' from drop down menu".
- Activity Type:** A dropdown menu with the option "Failed/Cancelled/Denied". A callout points to this option: "Select 'Failed/Cancelled/Denied' from drop down menu".
- Fail/Cancel Reason:** A dropdown menu with the option "Offer Not Accepted by Borrower/Request Withdrawn". A callout points to this option: "Select 'Offer Not Accepted by Borrower/ Request Withdrawn' from drop down menu".