

Master Servicing Frequently Asked Questions (FAQs)

#1: What are the most common causes for cash discrepancies that cause shortage/surplus issues.

Typical Root Cause:

- PIF calculation with curtailments
- Reverse amortization issues
- Cumulative LAR (more than 1-month LPI movement) not taking account curtailments
- Forced LARs (inaccurate data) to bridge modifications
- Loan Data in Loan Servicing Data Utility (LSDU) is incorrect (i.e. PTR) causing interest difference.
- Using incorrect remittance code
- Remitting to the wrong Seller/Servicer ID

If Shortage/Surplus issues are detected and additional assistance is needed, please email master_servicing@fanniemae.com

#2: How do I request Fannie Mae to update loan data through a post purchase adjustment?

Post-Purchase Adjustments require varying levels of documentation in order to be processed. Please reference the [PPA Data Change Rules Matrix](#) to understand what types of documentation are needed for your PPA. Submit your request with all necessary documentation to master_servicing@fanniemae.com.

In addition, you can also check the status of your PPA request in [Fannie Mae Connect](#):

To navigate to the report, please follow:

[Report Center](#) → [Pricing and Execution](#) → [Post Purchase Adjustment Notification Report](#)

Requests may take up to 10 business days to process. If you do not see a completion within 10 business days, please reach out to Investor Reporting.

#3: Where can I review post purchase adjustments?

You can find all completed loan level adjustments on Fannie Mae Connect: Post Purchase Adjustment Notification Report

[Report Center](#) → [Pricing & Execution](#) → [Post Purchase Adjustment Notification](#)

Completed PPAs can also be viewed in LSDU using the path below

[LSDU](#) → [Loan Data Search](#) → [View Loan History](#) → [Transaction](#)

#4: How do I report the cancellation of Mortgage Insurance?

The cancellation of Mortgage Insurance can only be processed by submitting a LAR 89 **upload** via LSDU.

For additional MI Cancellation questions please refer to the link below found on the Investor Reporting page on Fanniemae.com.

[Transaction Type 89](#)



#5: Where can I find common loan servicing reports?

Reports needed can be found in [Fannie Mae Connect](#) in the Servicing section. Additional reports can also be found in LSDU. If you experience a situation where a report is unavailable, please reach out to Investor Reporting at Master_Servicing@fanniemae.com

#6: Where can I review the status of my loan read request?

You can review the Loan Reinstatement Report found in Fannie Mae Connect found under the loan servicing tab on a daily basis. Requests received by Calendar Day 14 will be processed by COB Calendar Day 24.

- Any request received after Calendar Day 14 will be processed the following month by Calendar Day 24.
- The Reinstatement Monthly Report will be posted to Fannie Mae Connect by COB Calendar Day 25. This report provides loan level status. *Note: A reinstatement can trigger a missing LAR.*
- The Report can be found on [Fannie Mae Connect](#)

#7: How do I calculate the principal and interest remittance for a repurchased loan?

The following sections regarding calculations can be found in the [Investor Reporting Manual](#).

Calculating the Principal to Repurchase

Mortgage loans sold to Fannie Mae as cash purchases may have been purchased at par, at a discount or at a premium price. Mortgage loans sold to Fannie Mae as part of a SWAP MBS pool are purchased at par. When determining the principal that needs to be repurchased, the price of the mortgage loan will need to be considered. The following table explains how to calculate the principal to report on the LAR Transaction Code 96.

If the mortgage loan is...	To determine the principal to be repurchased, the servicer must...
an actual/actual (excluding biweekly) or a scheduled/actual remittance type portfolio mortgage loan (sold as cash)	<ul style="list-style-type: none"> • multiply the prior month's actual UPB by the original purchase price, then • multiply the result by Fannie Mae's percentage interest.
a scheduled/scheduled remittance type portfolio mortgage loan (sold as cash)	<ul style="list-style-type: none"> • multiply the prior month's scheduled UPB by the original purchase price, then • multiply the result by Fannie Mae's percentage interest.
an actual/actual biweekly mortgage loan	<ul style="list-style-type: none"> • multiply the UPB as of the last reported loan activity, by the original purchase price, then • multiply the result by Fannie Mae's percentage interest.
a scheduled/scheduled remittance type loan sold into SWAP MBS security	<ul style="list-style-type: none"> • multiply the prior month's scheduled UPB by Fannie Mae's percentage interest.



an actual/actual remittance type loan that was reclassified from a SWAP MBS security

- multiply the prior month's actual UPB by Fannie Mae's percentage interest.

Note: If the mortgage loan has principal forbearance, the servicer must add the forbearance amount to the UPB before multiplying by the purchase price and/or Fannie Mae's percentage interest.

Calculating Interest Repurchased

When an actual/actual remittance type mortgage loan is repurchased, Fannie Mae is due interest from the LPI date up to, but not including, the repurchase date. However, when a scheduled/actual or a scheduled/scheduled remittance type mortgage loan is repurchased, Fannie Mae is due a full month of interest in all cases. A full month of interest will be based on a 360-day year, while a partial month's interest will be based on a 365-day year. The following table provides additional instructions for calculating the repurchase interest due Fannie Mae based on the remittance type of the mortgage loan.

If the mortgage loan is...	Then the servicer must calculate repurchase interest as follows...
an actual/actual remittance type	<ul style="list-style-type: none"> • $(\text{Prior Month's UPB} \times \text{Pass-through Rate}) \div 12 = \text{One Month's Interest}$ • $(\text{Prior Month's UPB} \times \text{Pass-through Rate}) \div 365 = \text{One Day's Interest}$ • $\text{One Month's Interest} \times \text{Number of Full Months of Interest Due (if mortgage loan is delinquent)} = \text{Accrued Monthly Interest Due}$ • $\text{One Day's Interest} \times \text{Number of Days of Partial Month of Interest Due} = \text{Accrued Daily Interest Due}$ • $(\text{Accrued Monthly Interest Due} + \text{Accrued Daily Interest Due}) \times \text{Fannie Mae's Percentage Interest} = \text{Total Repurchase Interest}$
a scheduled/actual remittance type	$(\text{Prior Month's UPB} \times \text{Pass-through Rate}) \div 12 \times \text{Fannie Mae's Percentage Ownership} = \text{Repurchase Interest}$
a scheduled/scheduled remittance type portfolio or MBS mortgage loan	$(\text{Prior Month's Scheduled UPB} \times \text{Pass-through Rate}) \div 12 \times \text{Fannie Mae's Percentage Interest} = \text{Scheduled Repurchase Interest}$

#7b: How do I report a Repurchase?

As outlined in the Servicing Guide, Fannie Mae must approve a mortgage loan to be repurchased. Once approved, the servicer must adhere to the following guidelines when submitting the repurchase LAR transaction.

Action Code	The servicer must report this Action Code ...	With an Action Date
65	In the next Transaction Type 96 it transmits to Fannie Mae through Fannie Mae's investor reporting system	that is within the current activity period.
67	Repurchasing an ARM loan where the modification feature is being exercised	that is within the current activity period.



#8: What steps do I need to take to execute a Servicing transfer?

A fully completed form 629 (both tabs), must be submitted to sfo_servicing_transfers@fanniemae.com.

Request Process Timeline

The requests will be process as follows:

- 1 - 25 loans - within 5 Business Days (BD) after receipt of request
- 26 - 50 loans - within 10 Business Days (BD) after receipt of request
- Over 50- loans - by Last Business Day of the month by COB

#9: How can I access a detailed view of my Scorecard?

The results for the General Servicing Powered by STAR Scorecard are now available on the [ReportApp](#)

You can also contact your IR analyst to go over any scorecard related questions you may have at Master_Servicing@fanniemae.com

#10: Does a borrower's request for re-amortization have to be honored?

- Yes, if, after making a curtailment, the borrower requests that the mortgage loan balance be re-amortized to reduce the mortgage loan payment, the servicer must:
 - 1) Complete an Agreement for Modification, Re-Amortization, or Extension of a Mortgage ([Form 181](#)). [Form 181](#) must only be revised as authorized in its instructions.
 - 2) Provide the borrower and the document custodian the completed [Form 181](#).
 - 3) Report the payment change as described in Reporting a Transaction Type 83 (Payment/Rate Change Record) in the Investor Reporting Manual.

#11: What are the best practices to reconcile our portfolio with Fannie Mae's?

For all Reconciliation questions, please reference the job aid below found on the Investor Reporting page [Investor Reporting Reconciliation](#) Job Aid

#12: How can I understand why a loan is rejecting and how can I clear the reject?

For hard and soft reject questions for A/A loans please refer to the link below found on the Investor Reporting page on fanniemae.com.

[Hard and Soft Rejects: Understanding the Root Cause to Prevent Reoccurrence \(Actual/Actual\)](#)



#13: What steps should I take when encountering an uploading issue?

For all uploading issues please reference the [LSDU User Guide](#).

If the job aid does not help, please reach out to master_servicing@fanniemae.com

#14: What are the most common causes for interest differences and how can they be corrected?

Typical Root Causes include:

- PIF calculation with curtailments
- Reverse amortization issues
- Cumulative LAR (more than 1 month LPI movement) not taking account curtailments

If interest discrepancies are detected and need resolution, please email master_servicing@fanniemae.com with an attached pay history to request the adjustment.

You can also review [Hard and Soft Rejects: Understanding the Root Cause to Prevent Reoccurrence \(Actual/Actual\)](#) for additional help as it covers many common causes for these interest differences.

#15: How should I report a newly acquired loan?

You can report this loan immediately in LSDU to correct this reject.

Note: If there has NOT been any activity on this loan since being acquired by Fannie Mae, then you should report a “no activity LAR”. See example below:

Loan Attribute	Reported
<i>LPI Date</i>	<i>Current LPI</i>
<i>Actual UPB Amount</i>	<i>Current Actual UPB</i>
<i>Principal Remittance Amount</i>	<i>0</i>
<i>Interest Remittance Amount</i>	<i>0</i>
<i>Action Code</i>	<i>00 - Payment/No Payment</i>
<i>Action Date</i>	<i>Current Action Date</i>



#16: How do I report cumulative LARs?

LSDU will only accept one LAR per reporting cycle. Therefore, if the borrower makes multiple payments within a monthly cycle, you will need to report one cumulative LAR. The cumulative LAR needs to encompass all transactions for the monthly reporting cycle to prevent a reject from occurring.

Note: The last LAR submitted will reverse all previous LARs.

Ex: Prior Month Ending UPB – \$500,250.00 – One Regular Payment & One Curtailment within one Reporting Cycle.

Borrower makes regular payment of \$2,500.00 on 8/15

1. Original LAR

- LPI Date- 08/2008
- UPB- \$498,000.00
- Principal Remittance- \$2,250.00
- Interest Remittance - \$250.00
- Action Code- 00
- Action Date- 08/15/2008

Borrower makes a curtailment \$500.00 on 8/29. On the LAR for the curtailment you need to combine both payments together and report \$3,000.00

2. New LAR (After Curtailment)

- LPI Date- 08/2008
- UPB- 497,500.00
- Principal Remittance- \$2,750.00
- Interest Remittance- \$250.00
- Action Code- 00
- Action Date- 08/29/2008

#17: How do I report post-mod LARs?

When it comes to reporting on a loan after the modification (post-mod), you should base the UPB and LPI date on the modification details. You would then report post-modification payments when received, if more than one post-modification payment has been made then a cumulative LAR will need to be reported.

Once the modification has bridged, you will be able to review the post modification data in LSDU by viewing the Delinquency Modification Data tab of the loan's data page. When it comes time to initially report post-modification, the UPB and LPI date should be based off the displayed modification details, and normal reporting will continue thereafter.



#18: How often do I need to report Transaction Type 96 Loan Activity Reports (LARs)?

For summary reporting mortgage loans that have an A/A or S/S remittance type, servicers will be required to submit a LAR 96, reporting borrower payment activity, no later than the first business day after the servicer processes the payment transaction in its system.

If no payment is received from the borrower, a LAR 96 must still be reported by the 22nd calendar day of the month of the reporting period. If the 22nd calendar day falls on a weekend or holiday, the LAR 96 is due on the preceding business day.

Corrections to reported activity and any additional payment (non-removal) activity for the prior reporting period must be reported by the next business day after the servicer processes the activity in its system but no later than 8 p.m. Eastern Time on the first business day of the month following the reporting period.