

Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Mandatory Effective Date	1/1/2021	2/25/2021	10/1/2020
Preferred Workout Hierarchy			
Hierarchy	<p>If the servicer determines the homeowner’s hardship has been resolved and he or she is unable to resolve a delinquency through a reinstatement and cannot afford a repayment plan, the servicer must evaluate the homeowner for a workout option in accordance with the evaluation hierarchy below:</p> <ul style="list-style-type: none"> ▪ Payment deferral ▪ Fannie Mae Flex Modification ▪ Fannie Mae Short sale ▪ Fannie Mae Mortgage release <p>Note: Please refer to F-2-11: Fannie Mae’s Workout Hierarchy for the payment deferral workout hierarchy.</p> <p>Note: Please also refer to D2.3.2-05: Payment Deferral.</p>	<p>If the servicer determines the homeowner’s hardship has been resolved and he or she is unable to resolve a delinquency through a reinstatement and cannot afford a repayment plan, the servicer must evaluate the homeowner for a workout option in accordance with the evaluation hierarchy below:</p> <ul style="list-style-type: none"> ▪ COVID-19 payment deferral ▪ Fannie Mae Flex Modification based on the reduced eligibility criteria ▪ Fannie Mae Flex Modification ▪ Fannie Mae Short sale ▪ Fannie Mae Mortgage release <p>Note: Please refer to Lender Letter (LL-2021-07) for the COVID-19 payment deferral workout hierarchy.</p>	<p>If the servicer determines the homeowner’s hardship has been resolved and he or she is unable to resolve a delinquency through a reinstatement and cannot afford a repayment plan, the servicer must evaluate the homeowner for a workout option in accordance with the evaluation hierarchy below:</p> <ul style="list-style-type: none"> ▪ Disaster payment deferral ▪ Fannie Mae Flex Modification based on the reduced eligibility criteria ▪ Fannie Mae Flex Modification ▪ Fannie Mae Short sale ▪ Fannie Mae Mortgage release <p>Note: Please refer to D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower for the workout hierarchy for a homeowner impacted by a disaster event.</p> <p>Note: Please also refer to D2-3.2-06: Disaster Payment Deferral.</p>



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	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Eligibility Criteria/Hardship			
Hardship	<ul style="list-style-type: none">▪ The homeowner’s hardship must be resolved, and▪ The homeowner must be capable of continuing to make the full monthly contractual mortgage payment, and▪ The homeowner must be unable to reinstate the mortgage or afford a repayment plan. <p>Note: See also “QRPC” row.</p>	<p>The homeowner must:</p> <ul style="list-style-type: none">▪ be on a COVID-19 related forbearance plan, or▪ have experienced a financial hardship resulting from COVID-19 (for example, unemployment, reduction in regular work hours, or illness of a homeowner/co-homeowner or dependent family member) that has impacted their ability to make their full monthly contractual payment,▪ have resolved the hardship,▪ be able to continue making the full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, and▪ be unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency. <p>Note: See also “QRPC” row. A complete Borrower Response Package (BRP) is not required.</p>	<p>The disaster event must result in:</p> <ul style="list-style-type: none">▪ a financial hardship (e.g., a loss/reduction of income or increase in expenses) that impacts the homeowner’s ability to pay his or her current contractual monthly payment, and▪ either:<ul style="list-style-type: none">○ the property securing the mortgage loan experienced an insured loss,○ the property securing the mortgage loan is located in a FEMA-Declared Disaster Area eligible for Individual Assistance, or○ the homeowner’s place of employment is located in a FEMA-Declared Disaster Area eligible for Individual Assistance. <p>Additionally, the servicer must confirm that the homeowner:</p> <ul style="list-style-type: none">▪ has resolved the hardship,▪ is able to continue making the full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, and▪ is unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency. <p>Note: See also “QRPC” row. A complete Borrower Response Package (BRP) is not required.</p> <p>Note: A disaster-related forbearance plan is not required for purposes of determining homeowner eligibility for a disaster payment deferral.</p> <p>Note: See <i>Evaluating the Extent and Nature of the Property Damage in D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower</i> for additional information on what constitutes a disaster.</p>



Payment Deferrals Matrix

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Eligibility Criteria/Hardship, Continued			
Delinquency	<p>As of the date of evaluation:</p> <ul style="list-style-type: none">the mortgage must be 30- or 60-days delinquent (i.e., the homeowner is not past due for more than two full monthly contractual payments); andsuch delinquency status must have remained unchanged for at least three consecutive months, including the month of the evaluation. <p>Note: The servicer must receive the homeowner’s full monthly contractual payment due for the month of the evaluation. If the servicer has not received this full monthly contractual payment as of the date of evaluation, the homeowner may still be eligible for a payment deferral if he or she makes the full monthly contractual payment by the end of the evaluation month.</p>	<p>The mortgage loan must:</p> <ul style="list-style-type: none">have been current or less than two months delinquent as of Mar. 1, 2020, the date of the National Emergency declaration related to COVID-19; andbe equal to or greater than one month delinquent but less than or equal to 18 months delinquent as of the date of evaluation. <p>Note: If a homeowner’s hardship is related to COVID-19 but he or she was two or more months delinquent as of the effective date of the National Emergency declaration, and the servicer determines the homeowner can maintain his or her full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, then the servicer must submit a request for a COVID-19 payment deferral through Fannie Mae’s servicing solutions system for review and obtain prior approval from Fannie Mae.</p> <p>Note: If a mortgage loan was originated after March 1, 2020, the effective date of the National Emergency Declaration related to COVID-19, and otherwise meets all criteria to receive a COVID-19 payment deferral, then the servicer must evaluate the homeowner for a COVID-19 payment deferral and, if eligible, offer the COVID-19 payment deferral.</p>	<p>The mortgage loan must:</p> <ul style="list-style-type: none">have been current or less than two months delinquent at the time the disaster occurred (e.g., disaster occurs on Mar. 20, homeowner has an LPI of Jan. 1 when the disaster occurred); andbe equal to or greater than one month delinquent but less than or equal to 12 months delinquent as of the date of evaluation. <p>Note: If a homeowner’s hardship is related to disaster but he or she was two or more months delinquent as of the date the disaster occurred, and the servicer determines the homeowner can maintain his or her full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, then the servicer must submit a request for a disaster payment deferral through Fannie Mae’s servicing solutions system for review and obtain prior approval from Fannie Mae.</p> <p>Note: Please refer to <i>Servicing Guide D2-3.2-01: Forbearance Plan, Determining Eligibility for a Forbearance Plan</i> to view the requirements to offer an initial forbearance plan term of up to three months without achieving QRPC.</p>



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Eligibility Criteria/Hardship, Continued			
Completing a Payment Deferral	<p>The servicer must complete (i.e., submit the case via Fannie Mae’s servicing solutions system) a payment deferral in the same month in which it determines the homeowner is eligible.</p> <p>The servicer is authorized to use an additional month to allow for sufficient processing time (“processing month”) to complete a payment deferral. In this circumstance:</p> <ul style="list-style-type: none">the homeowner must make his or her full monthly contractual payment during the processing month, andthe servicer must complete the payment deferral within the processing month after receipt of the homeowner’s full monthly contractual payment due during that month. <p>Note: The servicer must treat all homeowners equally in applying the processing month, as evidenced by a written policy.</p>	<p>The servicer must complete (i.e., submit the case via Fannie Mae’s servicing solutions system) a COVID-19 payment deferral in the same month in which it determines the homeowner is eligible.</p> <p>The servicer is authorized to use an additional month to allow for sufficient processing time (a “processing month”) to complete a COVID-19 payment deferral.</p> <p>The servicer must treat all homeowners equally in applying the processing month, as evidenced by a written policy.</p> <p>Note: The homeowner must make his or her full monthly contractual payment during the processing month if, as of the date of evaluation:</p> <ul style="list-style-type: none">the mortgage loan is 18 months delinquent, orthe COVID-19 payment deferral would cause the mortgage loan to exceed 18 months of cumulative deferred past-due P&I payments. <p>In this circumstance, the servicer must complete the COVID-19 payment deferral within the processing month after receipt of the homeowner’s full monthly contractual payment due during that month</p>	<p>The servicer must complete (i.e., submit the case via Fannie Mae’s servicing solutions system) a disaster payment deferral in the same month in which it determines the homeowner is eligible.</p> <p>The servicer is authorized to use an additional month to allow for sufficient processing time (a “processing month”) to complete a disaster payment deferral.</p> <p>The servicer must treat all homeowners equally in applying the processing month, as evidenced by a written policy.</p> <p>Note: If the mortgage loan is 12 months delinquent as of the date of evaluation, the homeowner must make his or her full contractual payment during the processing month. In this circumstance, the servicer must complete the disaster payment deferral within the processing month after receipt of the homeowner’s full monthly contractual payment due during that month.</p>



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Eligibility Criteria/Hardship, Continued			
Interest Rate Type	Fixed rate, ARMs, step-rates – eligible		
HAMP “Pay for Performance”	If the homeowner’s mortgage loan previously received a Fannie Mae Home Affordable Modification Program (HAMP) Modification and the homeowner remains in “good standing,” then the servicer must inform the homeowner that a payment deferral will result in the mortgage loan’s withdrawal from HAMP, and the homeowner will lose any future HAMP “pay for performance” incentive he or she might otherwise have received.	If the mortgage loan was previously modified pursuant to a Fannie Mae Home Affordable Modification Program (HAMP) modification under which the borrower remains in “good standing,” and the borrower was on a COVID-19 related forbearance plan immediately preceding the COVID-19 payment deferral or had a COVID-19 related hardship immediately preceding the COVID-19 payment deferral, then the borrower will remain eligible to receive any future HAMP “pay for performance” incentives upon acceptance of the COVID-19 payment deferral.	If the mortgage loan was previously modified pursuant to a Fannie Mae HAMP modification under which the borrower remains in “good standing,” and the borrower was on a disaster-related forbearance plan or had a disaster-related hardship immediately preceding the disaster payment deferral, then the borrower will remain eligible to receive any future HAMP “pay for performance” incentives upon acceptance of the disaster payment deferral.
Lien Type	The mortgage loan must be a conventional first lien mortgage.		
Occupancy Status	The property securing the mortgage loan may be vacant or condemned.		
MTMLTV	There is no MTMLTV requirement.		
Texas 50(a)(6) Loans	<p>A Texas 50(a)(6) loan is eligible for a payment deferral, COVID-19 payment deferral, or disaster payment deferral, as applicable, if the requirements for the solution are met and application of the payment deferral to the mortgage complies with applicable law.</p> <p>If the servicer receives notice from the homeowner that a payment deferral, COVID-19 payment deferral, or disaster payment deferral, as applicable, fails to comply with Texas Constitution Section 50(a)(6) requirements, the servicer must immediately, but no later than seven business days after receipt, take the following actions:</p> <ul style="list-style-type: none">▪ Inform Fannie Mae’s Legal Department by submitting a <i>Non-Routine Litigation Form (Form 20)</i> and include the homeowner notice in its submission.▪ Collaborate with Fannie Mae on the appropriate response, including any cure that may be necessary, within the 60-day timeframe provided by the requirements of Texas Constitution Section 50(a)(6).		



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Eligibility Criteria/Hardship, Continued			
Mortgages Subject to Recourse or Indemnification	The mortgage loan must not be subject to a recourse or indemnification arrangement under which Fannie Mae purchased or securitized the mortgage loan or that was imposed by Fannie Mae after the mortgage loan was purchased or securitized.		
Excluded Loan Types	The mortgage loan must not be insured or guaranteed by a federal government agency (e.g., FHA, VA, or RD/RHS).		
Origination Time Requirement	The mortgage must have been originated at least 12 months prior to the evaluation date of the payment deferral.	Does not apply.	Does not apply.
Previous Modifications	<p>The number of prior modifications does not impact a homeowner’s eligibility for the payment deferral.</p> <p>The mortgage must not have been modified with a non-disaster related modification within the previous 12 months of being evaluated for eligibility for a payment deferral.</p>	The number of prior modifications does not impact a homeowner’s eligibility for a COVID-19 payment deferral.	The number of prior modifications does not impact a homeowner’s eligibility for a disaster payment deferral; however, the mortgage loan must not have previously received a disaster payment deferral as a result of the same disaster event.
Previous TPPs	<p>The homeowner must not have failed a non-disaster related Trial Period Plan within 12 months of being evaluated for eligibility for the payment deferral.</p> <p>Note: Converting from a Trial Period Plan to a forbearance plan is not considered to be a failed Trial Period Plan.</p>	Does not apply.	Does not apply.



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Eligibility Criteria/Hardship, Continued			
Previous Payment Deferrals	The mortgage must not have received a prior payment deferral.	The mortgage loan may receive more than one COVID-19 payment deferral, however, no more than 18 months of cumulative past-due P&I payments may be deferred. Note: This does not include past-due P&I payments deferred with a non-COVID-19 payment deferral.	The mortgage loan must not have previously received a disaster payment deferral as a result of the same disaster event. Note: The mortgage loan may have previously received a non-disaster payment deferral.
Future Payment Deferrals	The homeowner is not eligible for a future payment deferral.	A homeowner's receipt of a COVID-19 payment deferral does not impact a homeowner's future eligibility for a payment deferral not based on a COVID-19 hardship.	A homeowner's receipt of a disaster payment deferral in relation to a specific disaster event does not impact a homeowner's future eligibility for a payment deferral not based on a disaster hardship, or for a future disaster payment deferral based on a separate disaster event.
Other Workouts/Offer	The mortgage must not be subject to: <ul style="list-style-type: none">an approved liquidation option,an active and performing forbearance plan or repayment plan,a current offer for another retention workout option, oran active and performing modification Trial Period Plan.	The mortgage loan must not be subject to: <ul style="list-style-type: none">an approved liquidation option,an active and performing repayment plan or other non-COVID-19 related forbearance plan,a current offer for another retention workout option, oran active and performing modification Trial Period Plan.	The mortgage loan must not be subject to: <ul style="list-style-type: none">an approved liquidation option,an active and performing repayment plan or other non-disaster-related forbearance plan,a current offer for another retention workout option, oran active and performing modification Trial Period Plan.



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Eligibility Criteria/Exclusions			
Borrower Response Package (BRP)	<p>The servicer is authorized to evaluate the homeowner for a payment deferral without receiving a complete BRP. When the servicer offers a payment deferral without receiving a complete BRP, the servicer is not required to send an Evaluation Notice, or equivalent.</p> <p>If the homeowner submitted a complete BRP, then the servicer must evaluate the homeowner in accordance with Servicing Guide, D2-2-05: Receiving a Borrower Response Package. The servicer is authorized to use an Evaluation Notice but must make the appropriate changes as necessary, including to the applicable Frequently Asked Questions, to reflect the terms of the payment deferral.</p>	<p>The servicer must not require a complete Borrower Response Package (BRP) to evaluate the homeowner for a COVID-19 payment deferral if the eligibility criteria are satisfied.</p>	<p>The servicer must not require a complete Borrower Response Package (BRP) to evaluate the homeowner for a disaster payment deferral if the eligibility criteria are satisfied.</p> <p>Note: A disaster-related forbearance plan is not required for purposes of determining homeowner eligibility for a disaster payment deferral.</p>
Contact Requirements			
Quality Right Party Contact (QRPC)	<p>The servicer must achieve QRPC with the homeowner (see Servicing Guide, D2-2-01: Achieving Quality Right Party Contact with the Borrower for additional information).</p> <p>The purpose of QRPC is to:</p> <ul style="list-style-type: none">determine the reason for the delinquency and whether it is temporary or permanent in nature,determine the occupancy status of the property,determine whether or not the homeowner has the ability to repay the mortgage debt,educate the homeowner on the availability of workout options, as appropriate, andobtain a commitment from the homeowner to resolve the delinquency.	<p>The servicer must achieve QRPC to:</p> <ul style="list-style-type: none">determine the reason for the delinquency and whether it is temporary or permanent in nature;determine whether or not the homeowner has the ability to repay the mortgage debt;educate the homeowner on the availability of workout options, as appropriate; andobtain a commitment from the homeowner to resolve the delinquency.	<p>The servicer must achieve QRPC to:</p> <ul style="list-style-type: none">determine the reason for the delinquency and whether it is temporary or permanent in nature;determine whether or not the homeowner has the ability to repay the mortgage debt;educate the homeowner on the availability of workout options, as appropriate; andobtain a commitment from the homeowner to resolve the delinquency. <p>Note: Please refer to Servicing Guide D2-3.2-01: Forbearance Plan, Determining Eligibility for a Forbearance Plan to view the requirements to offer an initial forbearance plan term of up to three months without achieving QRPC.</p>



Payment Deferrals Matrix

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Contact Requirements, Continued			
Quality Right Party Contact (QRPC) (Continued)	<p>Additionally, the servicer must confirm that the homeowner:</p> <ul style="list-style-type: none">has resolved the hardship,is able to continue making the full monthly contractual payment, andis unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency.	<p>Additionally, the servicer must confirm that the homeowner:</p> <ul style="list-style-type: none">has resolved the hardship;is able to continue making the full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, andis unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency.	<p>Additionally, the servicer must confirm that the homeowner:</p> <ul style="list-style-type: none">has resolved the hardship,is able to continue making the full monthly contractual payment including the amount required to repay any escrow shortage amount over a term of 60 months, andis unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency.
Solicitation	<p>Payment deferral is not offered as a solicitation without QRPC.</p>	<p>If the servicer is unable to establish QRPC (as described above) with a homeowner on a COVID-19 related forbearance plan and the homeowner is otherwise eligible for a COVID-19 payment deferral, the servicer must send a solicitation for a COVID-19 payment deferral within 15 days after expiration of the forbearance plan.</p> <p>The servicer must solicit the homeowner using the Payment Deferral Post COVID-19 Forbearance Solicitation Cover Letter with the COVID-19 payment deferral agreement or the equivalent, making any appropriate changes to comply with applicable law.</p> <p>While use of the Payment Deferral Post COVID-19 Forbearance Solicitation Cover Letter with the COVID-19 payment deferral agreement is optional, it reflects the minimum level of information that the servicer must communicate and illustrates a level of specificity that complies with the requirements of the <i>Servicing Guide</i>.</p>	<p>If the servicer is unable to establish QRPC (as described above) with a homeowner on disaster-related forbearance plan and the homeowner is otherwise eligible for a disaster payment deferral, the servicer must send a solicitation for a disaster payment deferral within 15 days after expiration of the forbearance plan.</p> <p>The servicer must solicit the homeowner using the Payment Deferral Post-Disaster Forbearance Solicitation Cover Letter with the disaster payment deferral agreement or the equivalent, making any appropriate changes to comply with applicable law.</p> <p>While use of the Payment Deferral Post-Disaster Forbearance Solicitation Cover Letter with the disaster payment deferral agreement is optional, it reflects the minimum level of information that the servicer must communicate and illustrates a level of specificity that complies with the requirements of the <i>Servicing Guide</i>.</p>



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Contact Requirements, Continued			
Solicitation (Continued)		<p>The Payment Deferral Post COVID-19 Forbearance Solicitation Cover Letter must include language that additional forbearance may be available if the homeowner’s hardship is not resolved, and that a mortgage loan modification may be available if the homeowner needs payment relief.</p> <p>The servicer must include instruction on how to accept the offer in the COVID-19 payment deferral agreement. The servicer is authorized to consider the following as acceptance by the homeowner, subject to applicable law:</p> <ul style="list-style-type: none"> the homeowner contacting the servicer directly in accordance with any acceptable outreach and communication method, the homeowner returning an executed COVID-19 payment deferral agreement, or any other method evidencing the homeowner’s acceptance as determined by the servicer. <p>The homeowner must make his or her full monthly contractual payment during the month of the solicitation if, as of the date of evaluation</p> <ul style="list-style-type: none"> the mortgage loan is 18 months delinquent, or the COVID-19 payment deferral would cause the mortgage loan to exceed 18 months of cumulative deferred past-due P&I payments. 	<p>The Payment Deferral Post-Disaster Forbearance Solicitation Cover Letter must include language that additional forbearance may be available if the homeowner’s hardship is not resolved, and that a mortgage loan modification may be available if the homeowner needs payment relief.</p> <p>The servicer must include instruction on how to accept the offer in the disaster payment deferral agreement. The servicer is authorized to consider the following as acceptance by the homeowner, subject to applicable law:</p> <ul style="list-style-type: none"> the homeowner contacting the servicer directly in accordance with any acceptable outreach and communication method, the homeowner returning an executed or disaster payment deferral agreement, or any other method evidencing the homeowner’s acceptance as determined by the servicer.



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Contact Requirements, Continued			
Solicitation (Continued)		<p>In this circumstance, the servicer must complete the COVID-19 payment deferral within the month of the solicitation after receipt of the homeowner’s full monthly contractual payment due during that month.</p> <p>Note: If the servicer uses a processing month to complete the COVID-19 payment deferral, the homeowner must also make his or her full monthly contractual payment during the processing month. The servicer must complete the COVID-19 payment deferral within the processing month after receipt of the homeowner’s full monthly contractual payment due during that month.</p>	
Capitalization			
Capitalization	Payment deferral, COVID-19 payment deferral, and disaster payment deferral do not capitalize any delinquent amounts.		
Term Extension			
Term Extension	Payment deferral, COVID-19 payment deferral, and disaster payment deferral do not have a term (maturity date) extension.		
Interest Rate Adjustment			
Interest Rate Adjustment	Payment deferral, COVID-19 payment deferral, and disaster payment deferral do not have an interest rate adjustment.		



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Determining Terms			
Determining Terms for Payment Deferral, COVID-19 Payment Deferral, and Disaster Payment Deferral	<p>The servicer must defer the past-due P&I payments as a non-interest-bearing balance, due and payable at maturity of the loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB. All other terms of the mortgage loan must remain unchanged.</p>	<p>The servicer must defer the following as a non-interest bearing balance, due and payable at maturity of the mortgage loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB:</p> <ul style="list-style-type: none">up to 18 months of past-due P&I payments, provided that it does not result in more than 18 months of past-due P&I payments cumulatively deferred as a result of a COVID-19 payment deferral;out-of-pocket escrow advances resulting from a delinquency and paid to third parties, provided they are paid prior to the effective date of the COVID-19 payment deferral; andservicing advances resulting from a delinquency, paid to third parties in the ordinary course of business, and not retained by the servicer, provided they are paid prior to the effective date of the COVID-19 payment deferral, if allowed by state law.	<p>The servicer must defer the following as a non-interest bearing balance, due and payable at maturity of the mortgage loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB:</p> <ul style="list-style-type: none">up to 12 months of past-due P&I payments;out-of-pocket escrow advances paid to third parties, provided they are paid prior to the effective date of the disaster payment deferral; andservicing advances paid to third parties in the ordinary course of business and not retained by the servicer, provided they are paid prior to the effective date of the disaster payment deferral, if allowed by state law.
	<p>Any existing non-interest-bearing principal forbearance amount on the mortgage loan remains due and payable at maturity of the mortgage loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB.</p>	<p>All other terms of the mortgage loan must remain unchanged.</p> <p>Any existing non-interest-bearing balance amount on the mortgage loan remains due and payable at maturity of the mortgage loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB.</p>	<p>All other terms of the mortgage loan must remain unchanged.</p> <p>Any existing non-interest-bearing balance amount on the mortgage loan remains due and payable at maturity of the mortgage loan, or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing UPB.</p>



Payment Deferrals Matrix

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Payment Deferral Agreement (Includes instructions for COVID-19 Payment Deferral and Disaster Payment Deferral)			
Payment Deferral Agreement	<p>The servicer must send the payment deferral agreement, or equivalent, to the homeowner no later than five days after the completion of the payment deferral.</p> <p>While use of the payment deferral agreement is optional, it reflects the minimum level of information that the servicer must communicate and illustrates a level of specificity that complies with the requirements of the <i>Servicing Guide</i>. Also, the servicer must ensure the payment deferral agreement complies with applicable law.</p> <p>Note: If the servicer determines the homeowner’s signature is required on the payment deferral agreement, it must receive the executed agreement prior to completing the payment deferral.</p>		
Recordation	<p>The servicer’s application of a payment deferral to the mortgage loan must not impair Fannie Mae’s first lien position or enforceability against the homeowner(s) in accordance with its terms.</p> <p>The servicer must record the payment deferral agreement if the servicer determines that recordation is required to comply with law and ensure that the mortgage loan retains its first lien position. The servicer must obtain a title endorsement or similar title insurance product issued by a title insurance company if the payment deferral agreement will be recorded.</p>		
Document Custodian	<p>If the payment deferral agreement is not required to be signed by the homeowner, then the servicer must send a copy of the payment deferral agreement signed by the servicer to the document custodian within 25 days of the effective date of the payment deferral.</p> <p>If the payment deferral agreement is required to be signed by the homeowner but not recorded, then the servicer must send the fully executed original payment deferral agreement to the document custodian within 25 days of the effective date of the payment deferral.</p> <p>If the payment deferral agreement is required to be recorded, then the servicer must send:</p> <ul style="list-style-type: none">▪ a certified copy of the fully executed payment deferral agreement to the document custodian within 25 days of the effective date of the payment deferral, and▪ the original payment deferral agreement that is returned from the recorder’s office to the document custodian within 5 business days of receipt.		
Title Endorsement	<p>The servicer must:</p> <ul style="list-style-type: none">▪ Record the payment deferral agreement if the servicer determines that recordation is required to comply with law and ensure that the mortgage loan retains its first lien position; and▪ Obtain a title endorsement or similar title insurance product issued by a title insurance company if the payment deferral agreement will be recorded.		



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Servicer Incentives			
Servicer Incentives	The servicer is eligible for a \$500 incentive fee effective upon completion of a payment deferral, COVID-19 payment deferral, or disaster payment deferral. See Lender Letter (LL-2021-07) and Servicing Guide, F-2-02, Incentive Fees for Workout Options for additional information.		
Escrow			
Escrow	<p>If the servicer chooses to perform an escrow analysis, any escrow account shortage that is identified at the time of the payment deferral must not be included in the non-interest bearing balance and the servicer is not required to fund any existing escrow account shortage. In addition, the servicer is not required to revoke any escrow deposit account waiver.</p>	<p>When a borrower is eligible for a COVID-19 payment deferral and the servicer was not collecting escrows on the existing mortgage loan, the servicer is not required to revoke any escrow deposit account waiver and establish an escrow deposit account as a condition of the COVID-19 payment deferral if the servicer confirms the borrower is current on the payments for taxes, special assessments, property and flood insurance payments, payments for borrower-purchased MI, ground rents, and similar items.</p> <p>Prior to offering a COVID-19 payment deferral, the servicer must analyze an existing escrow account to estimate the periodic escrow deposit required to ensure adequate funds are available to pay future charges, taking into consideration T&I payments that may come due during the processing month, if applicable.</p> <p>If the servicer identifies an escrow shortage as the result of an escrow analysis in connection with a COVID-19 payment deferral or as part of the next annual analysis, the servicer must spread repayment of the escrow shortage amount in equal monthly payments over a term of 60 months, unless the borrower decides to pay the shortage amount up-front or over a shorter period, not less than 12 months.</p>	<p>When a borrower is eligible for a disaster payment deferral and the servicer was not collecting escrows on the existing mortgage loan, the servicer is not required to revoke any escrow deposit account waiver and establish an escrow deposit account as a condition of the Disaster payment deferral if the servicer confirms the borrower is current on the payments for taxes, special assessments, property and flood insurance payments, payments for borrower-purchased MI, ground rents, and similar items.</p> <p>Prior to offering a disaster payment deferral, the servicer must analyze an existing escrow account to estimate the periodic escrow deposit required to ensure adequate funds are available to pay future charges, taking into consideration T&I payments that may come due during the processing month, if applicable.</p> <p>If the servicer identifies an escrow shortage as the result of an escrow analysis in connection with a disaster payment deferral or as part of the next annual analysis, the servicer must spread repayment of the escrow shortage amount in equal monthly payments over a term of 60 months, unless the borrower decides to pay the shortage amount up-front or over a shorter period, not less than 12 months.</p>



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Escrow, Continued			
Escrow (Continued)		<p>Any escrow account shortage that is identified at the time of the COVID-19 payment deferral must not be included in the non-interest bearing balance and the servicer is not required to fund any existing escrow account shortage.</p> <p>If applicable law prohibits the establishment of the escrow account, the servicer must ensure that the T&I payments are paid to date.</p>	
Reporting			
Credit Reporting	The servicer must report to credit repositories in accordance with Fannie Mae guidelines in Servicing Guide, C-4.1-01: Notifying Credit Repositories and applicable law.	The servicer must report the status of the mortgage loan to the credit bureaus in accordance with the Fair Credit Reporting Act (FCRA), including as amended by the Coronavirus Aid, Relief, and Economic Securities Act (CARES), for homeowners affected by the COVID-19 emergency.	The servicer must report to credit repositories in accordance with Fannie Mae guidelines in Servicing Guide, C-4.1-01: Notifying Credit Repositories and applicable law.
Reporting a Payment Deferral	<p>The servicer must submit an eligible payment deferral case to our servicing solutions system by entering loan-level information, including the applicable campaign ID to identify a payment deferral. The case must be entered in the month of evaluation, after the homeowner has made any required full monthly contractual payment.</p> <p>Note: See Lender Letter (LL-2020-05) for more reporting requirements.</p>	<p>The servicer must submit an eligible COVID-19 payment deferral case to Fannie Mae’s servicing solutions system by entering loan-level information, including the applicable campaign ID to identify a COVID-19 payment deferral. The case must be entered by the last day of the month in which the evaluation took place.</p> <p>Note: See Lender Letter (LL-2021-07) for more reporting requirements.</p>	<p>The servicer must submit an eligible disaster payment deferral/ case to Fannie Mae’s servicing solutions system by entering loan-level information, including the applicable campaign ID to identify a disaster payment deferral. The case must be entered by the last day of the month in which the evaluation took place.</p> <p>Note: See Investor Reporting Manual for more reporting requirements.</p>



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Flex Modification Impact			
Flex Modification Impact	<p>A payment deferral does not count as a mortgage loan modification when determining the number of times the mortgage loan has previously been modified for purposes of determining eligibility for a Fannie Mae Flex Modification in accordance with <i>Determining Eligibility for a Fannie Mae Flex Modification</i> in D2-3.2-07, Fannie Mae Flex Modification.</p>	<p>A COVID-19 payment deferral does not count as a mortgage loan modification when determining the number of times the mortgage loan has previously been modified for purposes of determining eligibility for a Fannie Mae Flex Modification in accordance with <i>Determining Eligibility for a Flex Modification</i> in D2-3.2-07, Fannie Mae Flex Modification.</p> <p>Note: The servicer must refer to <i>Fannie Mae Flex Modification for COVID-19 impacted borrowers</i> in Lender Letter (LL-2021-07) for reduced eligibility criteria when</p> <ul style="list-style-type: none">▪ Evaluating or soliciting a borrower with a COVID-19 related hardship for a Fannie Mae Flex Modification,▪ Evaluating a borrower who defaulted after completing a COVID-19 payment deferral for a Fannie Mae Flex Modification,▪ Analyzing an existing escrow account for a Fannie Mae Flex Modification for COVID-19 impacted borrowers, and▪ Determining the new modified mortgage loan terms for a Fannie Mae Flex Modification for COVID-19 impacted borrowers.	<p>A disaster payment deferral does not count as a mortgage loan modification when determining the number of times the mortgage loan has previously been modified for purposes of determining eligibility for a Fannie Mae Flex Modification in accordance with <i>Determining Eligibility for a Flex Modification</i> in D2-3.2-07, Fannie Mae Flex Modification.</p> <p>Note: The servicer must refer to <i>Evaluating or Soliciting a Borrower with a Disaster-Related Hardship for a Fannie Mae Flex Modification</i> in D2-3.2-07, Fannie Mae Flex Modification, if</p> <ul style="list-style-type: none">▪ The servicer is unable to establish QRPC with a borrower on a disaster-related forbearance plan and the borrower is ineligible for a disaster payment deferral, or▪ The borrower is eligible for a disaster payment deferral but does not respond to the disaster payment deferral offer as described in <i>Soliciting a Borrower for a Post-Forbearance Disaster Payment Deferral</i>.



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Property Valuation			
Property Valuation	Payment deferral, COVID-19 payment deferral, and disaster payment deferral do not require a property valuation.		
Trial Period Plan			
Trial Period Plan	Payment deferral, COVID-19 payment deferral, and disaster payment deferral do not require a Trial Period Plan.		
Mortgage Insurance			
Processing a Payment Deferral on a Mortgage with MI	<p>We have obtained delegation of authority on behalf of all servicers from the following mortgage insurers for all three payment deferrals: Arch MI, Essent Guaranty, Genworth, MassHousing, MGIC, National Mortgage Insurance, Radian Guaranty, RMIC, and United Guaranty.</p> <p>If we have not obtained delegation of authority from the mortgage insurer for any particular workout option, the servicer must obtain this delegation or seek individual mortgage insurer approval.</p>		
Late Fees and Charges			
Late Fees and Charges	The servicer must not charge the homeowner administrative fees. It must waive all late charges, penalties, stop payment fees, or similar charges upon completing a payment deferral, COVID-19 payment deferral, or disaster payment deferral.		



Payment Deferrals Matrix

	Payment Deferral	COVID-19 Payment Deferral	Disaster Payment Deferral
Servicing Fees			
Servicing Fees	<p>The servicer will continue to receive the servicing fee it was receiving prior to completing a payment deferral after a payment deferral becomes effective.</p> <p>Servicing fees, guaranty fees, and excess servicing fees (if applicable) will be reimbursed for mortgage loans that receive a payment deferral at the time the mortgage loan matures or is paid-in-full through a credit to the servicer’s custodial account.</p>	<p>The servicer will continue to receive the servicing fee it was receiving prior to completing the COVID-19 payment deferral after the COVID-19 payment deferral becomes effective.</p> <p>Servicing fees, guaranty fees, and excess servicing fees (if applicable) will be reimbursed for mortgage loans that receive a COVID-19 payment deferral at the time the mortgage loan matures or is paid-in-full through a credit to the servicer’s custodial account.</p>	<p>The servicer will continue to receive the servicing fee it was receiving prior to completing the disaster payment deferral after the disaster payment deferral becomes effective.</p> <p>Servicing fees, guaranty fees, and excess servicing fees (if applicable) will be reimbursed for mortgage loans that receive a disaster payment deferral at the time the mortgage loan matures or is paid-in-full through a credit to the servicer’s custodial account.</p>
Securities Trusts Impacts			
Securities Trusts Impacts	<p>The servicer must not make a manual reclassification request for mortgage loans subject to a payment deferral. In addition, MBS mortgage loans subject to a payment deferral will not be scheduled for automatic reclassification as described in A1-3-06, Automatic Reclassification of MBS Mortgage Loans.</p>	<p>MBS mortgage loans subject to a COVID-19 payment will not be subject to automatic reclassification as described in A1-3-06, Automatic Reclassification of MBS Mortgage Loans. In addition, the servicer must not make a manual reclassification request for mortgage loans subject to a COVID-19 payment deferral.</p>	<p>MBS mortgage loans subject to a disaster payment deferral will not be subject to automatic reclassification as described in A1-3-06, Automatic Reclassification of MBS Mortgage Loans. In addition, the servicer must not make a manual reclassification request for mortgage loans subject to a disaster payment deferral.</p>

