

Guaranty Fee Relief After Four Months of Delinquency, LAR96 Reporting Due Date Changes, and LAR96 Format Expansion

Lender Letter (LL-2021-12)

Webinar

November 03, 2021





Today's Agenda

- Guaranty Fee Relief After Four Months of Delinquency
- LAR 96 Reporting Due date changes for Summary Reporting Loans
- LAR 96 Format Expansion
- Questions

Guaranty Fee Relief After Four Months of Delinquency

Background

- As announced in [LL-2021-12: Advance Notice of Changes to Master Servicing Processes and Systems](#) (published on June 16, 2021), Fannie Mae, in alignment with Freddie Mac, is affirming the requirement to restrict drafting of guaranty fees to four months of delinquency.
- This change will be effective with the May 2022 cash remittance (based on April 2022 loan activity reporting)



Guaranty Fee Relief After Four Months of Delinquency

Eligibility

- “Guaranty Fee Relief” is a new investor reporting process that restricts drafting of guaranty fee following four months of borrower delinquency.
- All Scheduled/Scheduled remittance type mortgage loans in SWAP MBS pools that are four or more months delinquent are eligible regardless of the foreclosure loss risk (i.e., risk code = 1, 2,3 or 4).

| Table 1. Eligibility Criteria for Guaranty Fee Relief Process | | | |
|--|----------------------------------|----------------------------------|----------------------------------|
| Sale Type | SWAP MBS Mortgage Loans | PPF MBS Mortgage Loans | LTSC Mortgage Loans |
| Foreclosure Loss (FCL) Risk Type | Loans w/ FCL Risk Codes 1,2,3, 4 | Loans w/ FCL Risk Codes 1,2,3, 4 | Loans w/ FCL Risk Codes 1,2,3, 4 |
| Guaranty Fee Relief | Eligible | Not Applicable | Not Applicable |



Guaranty Fee Relief After Four Months of Delinquency

Summary of Changes

- Effective April 2022 Loan Activity Reporting, for all eligible Scheduled/ Scheduled (S/S) mortgage loans in MBS pools that are 120+ days delinquent in the prior loan reporting cycle, regardless of foreclosure loss risk, Fannie Mae will place the mortgage loan in the Guaranty Fee Relief Process.
- Fannie Mae will establish the Loan Guaranty Fee Status and Loan Guaranty Fee Relief Activity Start Date reflecting the start of the Guaranty Fee Relief Process.
- Fannie Mae will record a compensating guaranty fee credit adjustment (Loan Guaranty Fee Relief Credit) in its Investor Reporting System and adjust the guaranty fee draft to zero, thus no guaranty fee will be drafted from servicers in the subsequent guaranty fee draft period.
- Effective May 2022, MBS Guaranty Fee Draft Notification(pre-draft) for Single Family SWAP MBS loans will be made available on Business Day (BD) 3 and will be drafted on Calendar Day (CD) 7.
- Servicers will continue to be drafted excess servicing fee (as applicable) during the guaranty fee relief period.

NOTE: There is no change to the current Guaranty Fee Draft Date. The draft date will remain on the 7th Calendar Day of each month (or, if the 7th is a holiday or weekend, on the preceding business day). With this change, servicers will receive pre-draft notification on Business Day 3 for the guaranty fee draft on the 7th Calendar Day. Servicers must ensure their respective guaranty fee draft account is fully funded to prevent any draft returns.



Guaranty Fee Relief After Four Months of Delinquency

Transition Month – May 2022 Cash Remittance (April 2022 Loan Activity Reporting)

- On the last day of the April 2022 Loan Reporting Cycle (May BD2, 05/03/2022), Fannie Mae will place all eligible S/S remittance type mortgage loans in MBS pools that are 120+ days delinquent in the prior loan reporting cycle in a Guaranty Fee Relief Process and reflect April 1, 2022, as the Loan Guaranty Fee Relief Activity Start Date.
- Fannie Mae's Investor Reporting System will use the Last Paid Installment (LPI) date reported on the latest accepted LAR to determine the months of delinquency and eligibility of a mortgage loan.
- For all eligible loans as of April Loan Reporting Cycle, Fannie Mae will issue a guaranty fee credit adjustment (Loan Guaranty Fee Relief Credit) and adjust the guaranty fee draft to zero thus no guaranty fee will be drafted from servicers in May 2022.
- On BD3 of May i.e., 5/4/2022, servicers will have access to the pre-draft notification for the guaranty fee draft on 5/6/2022 (May CD7 is Saturday; hence, draft is on the 6th).
- Fannie Mae will not settle-up for guaranty fees in excess of 4 months delinquency at transition. The Loan Guaranty Fee Relief Credits will be issued on a go-forward basis at transition.



Guaranty Fee Relief After Four Months of Delinquency

Entering the Guaranty Fee Relief Process for an Eligible S/S Remittance Type SWAP MBS Mortgage Loan

- This exhibit summarizes the events that occur when an eligible mortgage loan enters Guaranty Fee Relief process.
- Fannie Mae will place the mortgage loan in a Guaranty Fee Relief Process by establishing the Loan Guaranty Fee Status and Loan Guaranty Fee Relief Activity Start Date reflecting the start of the Guaranty Fee Relief Process.
- Loan Guaranty Fee Status indicates that an eligible remittance type mortgage loans is in the Guaranty Fee Relief process.
- Loan Guaranty Fee Relief Activity Start Date is the date the first day of the activity period that Fannie Mae will Stop drafting guaranty fee from servicers
- Loan Guaranty Fee Relief Credit is a type of adjustment made by Fannie Mae to indicate an offset of Guaranty Fee amount on an eligible mortgage loan under the Guaranty Fee Relief process.
- Loan Outstanding Guaranty Fee Receivable amount is the total Fannie Mae outstanding Guaranty Fee receivable amount during the Guaranty Fee Relief Process.

| Enter Guaranty Fee Relief Process | | | | | | | |
|---|-----------------------------------|--|---|---|---|---|---------|
| | November | December | January | February | March | April | May |
| | Borrower made contractual payment | Borrower missed contractual payment (1 month delinquent) | Borrower missed contractual payment (2 months delinquent) | Borrower missed contractual payment (3 months delinquent) | Borrower missed contractual payment (4 months delinquent) | Borrower missed contractual payment (5 months delinquent) | |
| | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | |
| Guaranty Fee | \$40.63 | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$40.32 | |
| Loan Guaranty Fee Draft Status: | | | | | | Not Due | |
| Loan Guaranty Fee Relief Activity Start Date: | | | | | | 1-Apr | |
| Adjustment Type - Loan Guaranty Fee Relief Credit | | | | | | | |
| Guaranty Fee Draft Amount: | | \$40.63 | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$0.00 |
| Loan Outstanding FNMA Guaranty Fee Receivable Amount | | | | | | | \$40.32 |

Fannie Mae



Guaranty Fee Relief After Four Months of Delinquency

Reporting and Remitting while the loan is in Guaranty Fee Relief Process

- This exhibit summarizes the events that occur when a contractual payment is reported on an eligible mortgage loan under the Guaranty Fee Relief Process.
- When one or more full contractual payments are received on an eligible mortgage loan under the Guaranty Fee Relief Process, Fannie Mae will apply the guaranty fee against Outstanding Guaranty Fee Receivable amount starting with the loan activity Guaranty Fee Relief Activity Start Date.
- In the event, the contractual payments do not bring the loan current, Fannie Mae will continue to issue Guaranty Fee Relief credit adjustments.

| | | Eligible for Guaranty Fee Relief Process | | | | | | | |
|---|---|--|---|---|---|---|---|--|-----------|
| | | December | January | February | March | April | May | June | July |
| Fannie Mae | Servicer Reported Actual LPI: | Borrower missed contractual payment (1 month delinquent) | Borrower missed contractual payment (2 months delinquent) | Borrower missed contractual payment (3 months delinquent) | Borrower missed contractual payment (4 months delinquent) | Borrower missed contractual payment (5 months delinquent) | Borrower missed contractual payment (6 months delinquent) | Borrower made 1 contractual payments (6 months delinquent) | |
| | | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Dec | |
| | Guaranty Fee | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$40.32 | \$40.25 | \$40.19 | |
| | Loan Guaranty Fee Draft Status: | | | | | Not Due | Not Due | Not Due | |
| | Loan Guaranty Fee Relief Activity Start Date: | | | | | 1-Apr | 1-Apr | 1-Apr | |
| | Loan Guaranty Fee Relief Adjusted Activity Start Date: | | | | | 1-Apr | 1-Apr | 1-May | |
| | Adjustment Type - Loan Guaranty Fee Relief Credit | | | | | | (\$40.32) | (\$40.25) | (\$40.19) |
| | Loan Guaranty Fee Relief Draft Period | | | | | | | | 1-Apr |
| | Loan Guaranty Fee Relief Draft Amount | | | | | | | | \$40.32 |
| | Guaranty Fee Draft Amount: | \$40.63 | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$0.00 | \$0.00 | \$40.32 |
| Loan Outstanding FNMA Guaranty Fee Receivable Amount | | | | | | \$40.32 | \$80.57 | \$80.44 | |



Guaranty Fee Relief After Four Months of Delinquency

Exiting the Guaranty Fee Relief Process

| If... | Fannie Mae will... |
|--|---|
| mortgage loan becomes current | remove the Loan Guaranty Fee Draft Status, return a Loan Guaranty Fee Relief Expiration Date and resume drafting guaranty fee. |
| mortgage loan is paid off | remove the Loan Guaranty Fee Draft Status, return a Loan Guaranty Fee Relief Expiration Date and deactivate the loan. For payment deferrals, guaranty and servicing fees may be reimbursed at payoff/maturity if the loan balance is paid-in-full. |
| mortgage loan is repurchased | remove the Loan Guaranty Fee Draft Status, return a Loan Guaranty Fee Relief Expiration Date and deactivate the loan. |
| mortgage loan is liquidated (e.g., sold at foreclosure and transferred to REO) | remove the Loan Guaranty Fee Draft Status, return a Loan Guaranty Fee Relief Expiration Date and deactivate the loan. |
| loan is removed from the SWAP MBS Trust (Reclassification) | change remittance just of the reclassified loan from S/S SWAP to Actual/Actual (A/A) and remove the Loan Guaranty Fee Draft Status, return a Loan Guaranty Fee Relief Expiration Date Note: Guaranty fee not is not applicable to A/A remittance type mortgage loans |
| payment deferrals are executed | remove the Loan Guaranty Fee Relief Status and resume drafting guaranty fee. Guaranty fees may be reimbursed at payoff/maturity. |



Guaranty Fee Relief After Four Months of Delinquency

Exiting the Guaranty Fee Relief Process When Mortgage Loans Become Current

- This exhibit summarizes the events that occur when a loan exists the the Guaranty Fee Relief Process when an eligible mortgage loan is brought current and exits the Guaranty Fee Relief Process.
- In a Loan Reporting period that an eligible mortgage loan in Guaranty Fee Relief becomes current, Fannie Mae's Investor Reporting System will remove the Loan Guaranty Fee Draft Status and return a Loan Guaranty Fee Relief Expiration Date and resume drafting guaranty fee.

| | Eligible for Guaranty Fee Relief Process | | | | | |
|---|---|---|---|--|--|---------|
| | March | April | May | June | July | Aug |
| | Borrower missed contractual payment (4 months delinquent) | Borrower missed contractual payment (5 months delinquent) | Borrower missed contractual payment (6 months delinquent) | Borrower made 1 contractual payments (6 months delinquent) | Borrower made 7 contractual payments (Loan is current) | |
| Servicer Reported Actual LPI: | 1-Nov | 1-Nov | 1-Nov | 1-Dec | 1-Jul | |
| Guaranty Fee | \$40.38 | \$40.32 | \$40.25 | \$40.19 | \$40.13 | |
| Loan Guaranty Fee Draft Status: | | Not Due | Not Due | Not Due | | |
| Loan Guaranty Fee Relief Activity Start Date: | | 1-Apr | 1-Apr | 1-Apr | | |
| Loan Guaranty Fee Relief Adjusted Activity Start Date: | | 1-Apr | 1-Apr | 1-May | | |
| Adjustment Type - Loan Guaranty Fee Relief Credit | | | (\$40.32) | (\$40.25) | (\$40.19) | |
| Loan Guaranty Fee Relief Expiration Date | | | | | 30-Jun | |
| Loan Guaranty Fee Relief Draft Period | | | | | 1-Apr | 1-May |
| Loan Guaranty Fee Relief Draft Amount | | \$40.32 | \$0.00 | \$0.00 | \$40.32 | \$80.44 |
| Guaranty Fee Draft Amount: | \$40.38 | \$0.00 | \$0.00 | \$40.32 | \$120.57 | \$0.00 |
| Loan Outstanding FNMA Guaranty Fee Receivable Amount | | \$40.32 | \$80.57 | \$80.44 | \$0.00 | |



Guaranty Fee Relief After Four Months of Delinquency

Exiting the Guaranty Fee Relief Process When Payment Deferral is Executed

- This exhibit summarizes the events that occur when a loan exists Guaranty Fee Relief Process when a payment deferral is executed on an eligible S/S remittance type mortgage loan and is subsequently gets paid off.
- In a loan Reporting cycle that a payment deferral workout is executed on an eligible mortgage loan, Fannie Mae will establish the reimbursable PD servicing fee and guaranty fee and remove the Loan Guaranty Fee Relief Status and resume drafting guaranty fee.
- In the loan reporting cycle, when a payoff is received, reimbursable PD servicing fee and guaranty fee established at the time of executing payment deferral is reimbursed.

| | Eligible for Guaranty Fee Relief Process | | | | | | | | |
|---|--|---|---|---|---|---|---|------------------|---------------|
| | December | January | February | March | April | May | June | June | July |
| | Borrower missed contractual payment (1 month delinquent) | Borrower missed contractual payment (2 months delinquent) | Borrower missed contractual payment (3 months delinquent) | Borrower missed contractual payment (4 months delinquent) | Borrower missed contractual payment (5 months delinquent) | Borrower missed contractual payment (6 months delinquent) | Borrower missed contractual payment (7 months delinquent) | Payment Deferral | Loan Paid-Off |
| Service Reported Actual LPI: | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Nov | 1-Jun | |
| Servicing Fee | \$67.71 | \$67.61 | \$67.50 | \$67.40 | \$67.30 | \$67.20 | \$67.09 | | |
| Guaranty Fee | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$40.32 | \$40.25 | \$40.19 | | |
| Loan Guaranty Fee Draft Status: | | | | | Not Due | Not Due | Not Due | | |
| Loan Guaranty Fee Relief Activity Start Date: | | | | | 1-Apr | 1-Apr | 1-Apr | | |
| Loan Guaranty Fee Relief Adjusted Activity Start Date: | | | | | 1-Apr | 1-Apr | 1-Apr | | |
| Adjustment Type - Loan Guaranty Fee Relief Credit | | | | | | (\$40.32) | (\$40.25) | (\$40.19) | |
| Loan Guaranty Fee Relief Expiration Date | | | | | | | | 30-Jun | |
| PD Servicer Reimbursable Guaranty Fee | | | | | | | | \$161.88 | |
| PD Servicer Reimbursable Servicing Fee | | | | | | | | \$471.81 | |
| Guaranty Fee Draft Amount: | \$40.63 | \$40.56 | \$40.50 | \$40.44 | \$40.38 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Loan Outstanding FNMA Guaranty Fee Receivable Amount | | | | | | \$40.32 | \$80.57 | \$120.76 | \$0.00 |
| PD Servicer Reimbursement Gfee | | | | | | | | | \$161.88 |
| PD Servicer Reimbursement Gross Sfee | | | | | | | | | \$471.81 |



Guaranty Fee Relief After Four Months of Delinquency

Below are the reports impacted by this process:

Fannie Mae Connect: Available monthly starting May BD3 (05/04/2022)

- Remittance Detail-Guaranty Fee Report (Enhanced)
- MBS Guaranty Fee Draft Notification (pre-draft notification – Timing change)

LSDU: Available monthly starting May BD3 (05/04/2022)

- Cash Position Summary (Enhanced)
- Cash Position Guaranty Fee Draft Amount Details Download (New)
- Cash Position Guaranty Fee Adjustment Details Download (New- daily)

B2B: Available monthly starting May BD3 (05/04/2022)

- Remittance Detail-Guaranty Fee Report (Enhanced)
- Guaranty Fee Adjustment Report (New)



Guaranty Fee Relief After Four Months of Delinquency

Fannie Mae Connect Report Mock-Up

Remittance Detail – Guaranty Fee Report – (Enhanced)

A report that provides loan level details of guaranty fee amounts to be drafted by calendar day 7 for Scheduled/Scheduled MBS SWAP remittance type mortgage loans.

| Servicer Number | Fannie Mae Loan Number | Servicer Loan ID | Pool Number | Contract Number | Unpaid Principal Balance | Loan Guaranty Fee Rate | Loan Guaranty Fee Amount | LPI Date | Guaranty Fee Draft Status | Guaranty Fee Relief Activity Start Date | Guaranty Fee Relief Adjusted Activity Start Date | Guaranty Fee Relief Expiration Date | Outstanding Guaranty Fee Receivable Amount | Guaranty Fee Draft Date |
|-----------------|------------------------|------------------|-------------|-----------------|--------------------------|------------------------|--------------------------|----------|---------------------------|---|--|-------------------------------------|--|-------------------------|
| 123456789 | 1645678920 | 987654322 | AK1234 | | \$322,537.14 | \$0.15 | \$0.00 | 8/1/2021 | Not Due | 1/1/2022 | 1/1/2022 | | \$40.32 | 2/7/2022 |

LSDU Report Mock-Ups

Cash Position Summary – (Enhanced)

LSDU's Cash Position Summary feature provides reconciliation information at a 9-digit servicer number level relative to the selected remittance types. Servicers can choose to select Actual/Actual or Scheduled/Scheduled (SWAP, MRS) or Scheduled/Actual remittance types.

| Loan Activity Reporting Period | Snapshot Date | Remittance Type | Draft Type | Draft Date | Expected Draft Amount (\$) | Adjustment Amount (\$) | Draft Amount (\$) |
|--------------------------------|---------------|--------------------------|----------------------|--------------|----------------------------|------------------------|-------------------|
| 01/2022 | 02/03/2022 | Scheduled/Scheduled SWAP | Principal & Interest | 02/18/2022 | \$1,371.58 | <u>-\$1,371.58</u> | <u>\$0.00</u> |
| 01/2022 | 02/03/2022 | Scheduled/Scheduled SWAP | Guaranty Fee | 02/07/2022 | \$40.32 | <u>-\$40.32</u> | <u>\$0.00</u> |
| | | | | Total | \$1,411.90 | -\$1,411.90 | \$0.00 |



Guaranty Fee Relief After Four Months of Delinquency

LSDU Report Mock-Ups

Guaranty Fee Draft Amount Details Download – LSDU (New)

A download that provides loan level details of guaranty fee amounts to be drafted by Calendar Day 7 for Scheduled/Scheduled MBS SWAP remittance type mortgage loans.

| Servicer Number | Loan Activity Reporting Period | Remittance Type | Fannie Mae Loan Number | Servicer Loan Number | LPI Date | Pool Number | Contract Number | Unpaid Principal Balance | Guaranty Fee Rate | Expected Guaranty Fee Amount | Guaranty Fee Draft Status | Guaranty Fee Relief Activity Start Date | Guaranty Fee Relief Adjusted Activity Start Date | Guaranty Fee Relief Expiration Date | Outstanding Guaranty Fee Receivable Amount | Guaranty Fee Draft Amount (\$) | Guaranty Fee Draft Date |
|-----------------|--------------------------------|--------------------------|------------------------|----------------------|----------|-------------|-----------------|--------------------------|-------------------|------------------------------|---------------------------|---|--|-------------------------------------|--|--------------------------------|-------------------------|
| 123456789 | Jan-22 | Scheduled/Scheduled SWAP | 1645678920 | 987654322 | 8/1/2021 | AK1234 | | \$322,537.14 | 0.15 | \$40.32 | Not Due | 1/1/2022 | 1/1/2022 | | \$40.32 | \$0.00 | 2/7/2022 |

Guaranty Fee Adjustment Details Download – LSDU (New)

LSDU's Cash Position - Guaranty Fee Adjustment Details download provides a detailed breakdown of various attributes encompassing the guaranty fee adjustment amount provided in the Cash Position Summary.

| Servicer Number | Loan Activity Reporting Period | Remittance Type | Fannie Mae Loan Number | Servicer Loan Number | Adjustment Type | Adjustment Amount(\$) | Submission Date | Submitter Comments | Guaranty Fee Relief Draft Period |
|-----------------|--------------------------------|--------------------------|------------------------|----------------------|---------------------------------|-----------------------|--|------------------------|----------------------------------|
| 123456789 | Jan-22 | Scheduled/Scheduled SWAP | 1645678920 | 987654322 | Loan Guaranty Fee Relief Credit | (\$40.32) | Successful Payment LAR processed Date (MM/DD/YYYY) | System Generated (TBD) | Null |



Guaranty Fee Relief After Four Months of Delinquency

B2B Report Mock-Ups

Guaranty Fee Adjustment Report – B2B (New)

A loan level report that provides guaranty fee adjustment details for S/S remittance type mortgage loans for servicers with CPU-to-CPU connectivity.

| Servicer Number | Loan Activity Period | Fannie Mae Loan Number | Servicer Loan ID | Remittance Type | Adjustment Type | Adjustment Amount | Processing Date | Submitter Comments | Guaranty Fee Relief Draft Period |
|-----------------|----------------------|------------------------|------------------|--------------------------|---------------------------------|-------------------|--|------------------------|----------------------------------|
| 123456789 | 202201 | 1645678920 | 987654322 | Scheduled/Scheduled SWAP | Loan Guaranty Fee Relief Credit | (\$40.32) | Successful Payment LAR processed Date (MM/DD/YYYY) | System Generated (TBD) | Null |

Remittance Detail – Guaranty Fee Report – B2B (Enhanced)

A report that provides loan level details of guaranty fee amounts to be drafted by calendar day 7 for Scheduled/Scheduled MBS SWAP remittance type mortgage loans

| Servicer Number | Fannie Mae Loan Number | Servicer Loan ID | Pool Number | Contract Number | Unpaid Principal Balance | Loan Guaranty Fee Rate | Loan Guaranty Fee Amount | LPI Date | Guaranty Fee Draft Status | Guaranty Fee Relief Activity Start Date | Guaranty Fee Relief Adjusted Activity Start Date | Guaranty Fee Relief Expiration Date | Outstanding Guaranty Fee Receivable Amount | Guaranty Fee Draft Date |
|-----------------|------------------------|------------------|-------------|-----------------|--------------------------|------------------------|--------------------------|----------|---------------------------|---|--|-------------------------------------|--|-------------------------|
| 123456789 | 1645678920 | 987654322 | AK1234 | | \$322,537.14 | \$0.15 | \$0.00 | 8/1/2021 | Not Due | 1/1/2022 | 1/1/2022 | | \$40.32 | 2/7/2022 |



LAR96 Reporting Due Date Changes

Summary of Changes:

Fannie Mae is changing the reporting due date for all summary reporting mortgage loans regardless of remittance type (Actual/ Actual, Scheduled/ Scheduled, and Scheduled/ Actual) for non removal transactions:

| Current Process (non-removal transactions) | Change to Process (non-removal transactions) |
|--|---|
| <ul style="list-style-type: none">on all mortgage loans by 8 p.m. eastern time on the 22nd calendar day of the month of the reporting period. If the 22nd calendar day falls on a weekend or holiday, then the servicer must report the mortgage loan activity by 8 p.m. eastern time on the preceding business day. | <ul style="list-style-type: none">by 8 p.m. eastern time on the next business day if the servicer does not process the transaction in its system on the first business day of the month.on all mortgage loans by 8 p.m. eastern time on the 22nd calendar day of the month of the reporting period. If the 22nd calendar day falls on a weekend or holiday, then the servicer must report the mortgage loan activity by 8 p.m. eastern time on the preceding business day. |
| <ul style="list-style-type: none">corrections to reported activity and any subsequent activity that occurred from the 22nd calendar day and until the end of the reporting period by 8 p.m. eastern time on the first business day of the month following the reporting period. | <ul style="list-style-type: none">corrections to reported loan activity and any subsequent activity that occurred from the 22nd calendar day and until the end of the activity month, must be reported by 8 p.m. eastern time on the next business day after the servicer processes the activity in its system.Servicers are encouraged to report BD1 corrections (for non-removal transactions) by 8 p.m. eastern time on BD1, to minimize correction activity on BD2 (Cycle close). <i>Example: Corrections processed by the servicer on BD1 of April 2022 for March 2022 loan reporting activity are encouraged to be reported by 8 p.m. eastern time on BD1 of April</i> |

Note: *The timing for reporting removal transactions to Fannie Mae remains unchanged.*



LAR96 Format Expansion

Summary of Changes:

- The LAR 96 summary reporting format will be expanded to include nine additional data elements listed in the table here.
- These changes are effective with the March 2022 mortgage loan activity reporting.
- Beginning with the July 2022 mortgage loan activity reporting, Fannie Mae will only accept the LAR 96 expanded format.
- The reporting instructions for the existing transaction type 96 (LAR) loan-level data elements remain unchanged.
- Fannie Mae addresses its investor reporting system requirements in terms of the transaction types and data element identification that is part of the Fannie Mae ASCII fixed-width investor reporting system record. To assist in converting this information into the ANSI X12 EDI format, please reference the mapping in the technical file specifications.
- Link to inbound/ outbound Technical Specifications under 2022 Cash Simplification Changes ([Master Servicing Simplification Changes](#) | [Fannie Mae](#))

| Data Element | Reporting Guidance |
|---|--|
| Date of Last Full Payment | Enter the date the last fully paid installment was received from the borrower. |
| Full LPI Date | Enter the month, day and year of the due date of the last paid installment (LPI) for the loan. The month and year must agree with the month and year entered for the Reported Last Paid Installment (LPI) Date. |
| Mortgage Principal and Interest Amount | Enter the principal and interest portion of the borrower's regular installment payment for the reporting period. This is the amount due from the borrower for the reporting period, <u>not</u> the amount collected from the borrower during the reporting period or the amount due to Fannie Mae. |
| Mortgage Taxes and Insurance Amount | Enter the taxes and insurance (i.e., escrow) portion of the borrower's regular installment payment for the reporting period. This is the amount due from the borrower for the reporting period, <u>not</u> the amount collected from the borrower. |
| Trial Period Plan Payment Amount | For borrowers in the trial period plan of a delinquency modification workout, enter the amount of the trial payment for the reporting period. This is the trial payment amount due from the borrower for the reporting period, <u>not</u> the amount collected from the borrower. If the borrower is not in a trial period plan during the reporting period, enter zeroes. |
| Deferred UPB | Enter the amount of the deferred (non-interest bearing) portion of the UPB. If there is no deferred (non-interest bearing) portion of the UPB, enter zeroes. |
| Escrow Balance Amount | This field is not in use at this time. Enter zeroes. |
| Curtailment Date (Updated 9/xx/2021) | Enter the date of each curtailment that was applied or reversed during the reporting period. Up to twenty curtailments can be recorded during the reporting period. Each curtailment applied or reversed must be recorded in a separate, single entry. When reversing a curtailment that was previously recorded (either on a prior day in the current reporting period or in a prior reporting period), enter the date that the curtailment reversal was applied. Curtailments must be listed in ascending date sequence. If there is no curtailment activity during the reporting period, enter zeroes. |
| Principal Curtailment Amount | For each recorded curtailment date, enter the associated curtailment amount that was applied to the interest-bearing portion of the UPB or reversed during the reporting period. Up to twenty curtailments can be recorded during the reporting period. Each curtailment applied or reversed must be recorded in a separate, single entry. When reversing a curtailment that was previously recorded (either on a prior day in the current reporting period or in a prior reporting period), enter the principal curtailment amount to be reversed as a negative value. Curtailments must be listed in ascending date sequence. If there is no curtailment activity during the reporting period, enter zeroes. |



What is not Changing

| Initiative | What's not changing |
|--|--|
| Guaranty Fee Relief After Four Months of Delinquency | <ul style="list-style-type: none"> The Guaranty Fee draft date is not changing and will remain on the 7th Calendar Day of each month There is no change to the guaranty fee calculation There is no change to the excess servicing fee drafting process |
| LAR 96 Reporting Due date changes for Summary Reporting Loans | <ul style="list-style-type: none"> There are no changes to the interim reporting end date (CD22) LAR 96 reporting requirement. <p><i>Note: Servicers must report the loan activity on all mortgage loans by 8 p.m. eastern time on the 22nd calendar day of the month of the reporting period</i></p> <ul style="list-style-type: none"> The timing for reporting removal transactions to Fannie Mae remains unchanged <p><i>Note: Servicer must report a removal transaction:</i></p> <ul style="list-style-type: none"> By 5 p.m. eastern time on the next business day if the servicer processes the transaction in its system on the first business day of the month By 8 p.m. eastern time on the next business day if the servicer does not process the transaction in this system on the first business day of the month <ul style="list-style-type: none"> Servicers are encouraged to report BD1 corrections (for non-removal transactions) by 8 p.m. eastern time, to minimize correction activity on BD2 (Cycle close) |
| LAR 96 Format Expansion | <ul style="list-style-type: none"> There are no changes to the Investor Reporting requirements pertaining to existing LAR 96 attributes (Servicer Number, Fannie Mae Loan Number, Reported Last Paid Installment (LPI) Date, Reported Actual Unpaid Principal Balance (UPB), Reported Interest Amount, Reported Principal Amount, Reported Action Code, Reported Action Date, Other Fees) There are no changes to the principal & Interest remittance calculation |



Guaranty Fee Relief and LAR 96 Format Expansion

Materials on Fanniemae.com

- [Master Servicing Simplification Changes Page](#)
 - ❑ [Lender Letter LL-2021-12 \(Advance Notice of Changes to Investor Reporting Processes and Systems\)](#)
 - ❑ [Process Requirements](#)
 - ❑ [Inbound Fannie Mae File Specifications](#)
 - ❑ [Outbound Fannie Mae File Specifications](#)
- For further questions/ inquiries, please contact future_of_servicing@fanniemae.com





Thank You

Thank you for attending today's webinar to discuss the upcoming changes announced in Letter LL-2021-12 - Advance Notice of Changes to Master Servicing Processes and Systems.