

Lender Letter (LL-2023-05)

Updated: Dec. 11, 2024

To: All Fannie Mae Single-Family Servicers Advance Notice of Changes to Master Servicing Processes and Systems

This Lender Letter contains the policies previously published in [LL-2021-12](#) on Jun. 16, 2021 as updated from time to time, with the most recent changes noted below. For a consolidated description of all previous updates to this Lender Letter and LL-2021-12, refer to the [Change Control Log](#).

This Lender Letter provides advance notice of upcoming changes to our Master Servicing processes and systems. These changes further simplify and streamline servicer reporting and will be introduced in a phased approach. These changes are not applicable to reverse mortgage loans.

Dec. 11, 2024

- Removing *Reporting due date for summary reporting mortgage loans*, which has been incorporated into the *Servicing Guide* or *Investor Reporting Manual* as of November 2024.
- Removing the *LAR 96 format expansion*. Future changes to loan activity reporting will be communicated in a separate communication in 2025.
- Communicating updated status for *P&I remittance for summary reporting A/A mortgage loans* for which further details will be provided in a separate communication.

Cash simplification changes Updated Dec. 11, 2024

P&I remittance for summary reporting A/A mortgage loans

To simplify the servicer's responsibilities for remitting a P&I payment for an A/A remittance type mortgage loan, we will automatically initiate a draft of the remittance amount from the servicer's custodial account within 48 hours. This change will align to remitting requirements for summary and detailed reporting A/A remittance type mortgage loans and will also eliminate the monthly shortage/surplus balance reconciliation using *Schedule 3 – Reconciliation of Shortage Surplus (Form 472)*. Once the change becomes effective, we will settle-up any outstanding shortage/surplus balances at that time. There are no remitting changes for any other remittance types.

Effective: P&I remittance for summary reporting A/A mortgage loans will remain on hold. We will communicate further details in 2025.

Servicers who have questions about this Lender Letter should contact the Future of Servicing mailbox at future_of_servicing@fanniemae.com. Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



Change Control Log

The following table provides a description of the updates that have been made to this Lender Letter and in [LL-2021-12](#).

Date of Update	Description of Update
Jul. 31, 2024	<ul style="list-style-type: none"> ▪ Communicating updated reporting requirements based on remittance type and clarification of timing for summary reporting mortgage loans
Jun. 26, 2024	<ul style="list-style-type: none"> ▪ Communicating the effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans
Mar.13, 2024	<ul style="list-style-type: none"> ▪ Removing the topic <i>Streamline Investor Reporting with LSDU and Master Servicing Portfolio Manager Self-Serve Capabilities</i>, which has been incorporated into the <i>Servicing Guide</i> or Investor Reporting Manual as of December 2023 ▪ Communicating an updated target effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans
Aug. 30, 2023	<ul style="list-style-type: none"> ▪ Communicating the specific effective date for retirement of the SURF™ application ▪ Communicating the target effective date for the cash simplification changes
Apr. 19, 2023	<ul style="list-style-type: none"> ▪ Communicating the effective date for when the SURF application will be retired
Dec. 14, 2022	<ul style="list-style-type: none"> ▪ Remove the following topics which have been incorporated into the <i>Servicing Guide</i> or Investor Reporting Manual as of the dates indicated below: <ul style="list-style-type: none"> ○ Reimbursement of gross servicing fee and guaranty fee for mortgage loans with a payment deferral (September 2020) ○ Elimination of servicer’s advance payment of UPB at foreclosure (August 2021) ○ Guaranty fee relief after four months delinquency (July 2022) ▪ Clarify effective date for remaining topics <p>NOTE: <i>Any future updates to the remaining topics in this Lender Letter will be communicated when appropriate via a separate policy communication.</i></p>
Feb. 2, 2022	<p>Update the effective date for the changes described in</p> <ul style="list-style-type: none"> ▪ Streamline investor reporting with LSDU self-serve capabilities ▪ 2022 cash simplification changes ▪ Guaranty fee relief after four months delinquency
Sept. 29, 2021	<ul style="list-style-type: none"> ▪ Announce effective dates for Cash Simplification changes
Jun. 16, 2021	<ul style="list-style-type: none"> ▪ Reimbursement of gross servicing fee and guaranty fee for mortgage loans with a payment deferral ▪ Elimination of servicer’s advance payment of UPB at foreclosure ▪ Streamline investor reporting with LSDU self-serve capabilities ▪ 2022 cash simplification changes ▪ Guaranty fee relief after four months delinquency