

## Workout Reconciliation Job Aid

### Flex Modifications, Payment Deferrals, and Bankruptcy Cramdowns

#### Purpose

The purpose of this job aid is to assist servicers with completing the reconciliation of Fannie Mae loan workouts. We recommend that Servicers reconcile their workout pipeline monthly to ensure Servicer and Fannie Mae records are accurate, complete and in-synch.

#### The Reconciliation consists of the following data elements:

- Pipeline Loan Count
- Note Rate
- Pass Thru Rate
- P&I Amount
- Gross Servicing Fee Rate
- Payment Effective Date
- Post Workout UPB (Interest Bearing Balance)
- Post Workout Forbearance Amount (Non-Interest Bearing Balance)

\*\* Maturity Date data attributes will be made available in future release.

#### Why?

The objective of the reconciliation is to identify loan count and data differences in loan workouts between Fannie Mae and Servicer systems.

Scenarios include, but are not limited to:

- Servicer has a completed loan workout in their servicing system, but a workout has not been submitted to Fannie Mae.
- Servicer has a completed loan workout in their servicing system and submitted the workout to Fannie Mae, but the workout case was cancelled by Fannie Mae and not resubmitted by Servicer.
- Servicer cancelled the workout in their servicing system but failed to submit or request a cancellation in Fannie Mae system.
- Servicer submitted/requested the workout cancellation in Fannie Mae system but failed to cancel in their servicing system.
- Mismatch in the workout attributes (Post Workout UPB, Principal Forbearance Amount, etc.).

#### When?

Perform reconciliation at least once a month for loan workouts completed in the prior calendar month.



## Who?

Loss Mitigation and/or Investor Reporting (IR) is recommended to complete the Workout Reconciliation and share the reconciling items with their Investor Reporting (IR) counterparts to support the accurate and timely completion of the Schedule 1, 2, 3 reconciliations, and resolution of other Master Servicing exceptions, such as hard and soft rejects or shortage/surplus balances.

Loss Mitigation and IR are encouraged and expected to collaborate towards a mutual understanding of the resolution plan for each reconciling item.

## How?

Compare workouts between Fannie Mae system and Servicer system using the following steps.

1. Retrieve loan Workout population from Fannie Mae system and Servicer System.

Report Name	Instructions
<p><b>Fannie Mae system - FM Connect - DARTS Delinquency Modification and Payment Deferral Closed Report (Closed Mod Report)</b></p>	<ol style="list-style-type: none"> <li>1. Criteria - Select Report Dates, select “Date range” and select Calendar Day 1 to Last Calendar Day for prior calendar month.  Example: In February, select a date range January 1 – January 31.</li> <li>2. Identify loans from the download report with a “Completed” status using column AB “Delmod Transaction Status.”  NOTE: Delmod Transaction Status of “Completed” is in reference to the transaction status; this would include cancellations of a DARTS case. To identify cancellations, use Delinquency Modification and Payment Deferral Cancellations Report from FM Connect</li> </ol>
<p><b>Servicer System</b></p>	<p>Your Fannie Mae loan workout pipeline for prior calendar month.</p>
<p><b>Fannie Mae system – Additional FM Connect Report for reference</b></p>	
<ul style="list-style-type: none"> <li>• HomeSaver Solutions Network (HSSN)</li> <li>• DARTS Daily Activity Report</li> </ul>	



2. Complete the reconciliation between Fannie Mae and Servicer workout attributes. Enter the reconciling items in the Workout Reconciliation form. Instructions on how to fill out the Workout Reconciliation form can be found in Appendix A.
3. Loss Mitigation & Investor Reporting partnership. Provide completed workout reconciliation form to the Investor Reporting manager for review.
4. Resolve reconciling differences. Recommended actions could be found in the Workout reconciliation form in tab “Reason Description.”

## Appendix A

### Instructions for completing Workout Reconciliation Form

#### Header

Field	Action
Month Reconciled	Enter the Calendar month and year of reconciliation
Workouts in Servicer’s system	Enter the servicers count of loans in the specific portfolio
Workouts in Fannie Mae’s system	Enter the Fannie Mae’s count of loans from Closed Mod report in the specific portfolio

Month Reconciled		Workouts in Fannie Mae system		Workouts in Servicer system
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#### Reconciling Items

Complete the following sections if the loan and/or attribute between Fannie Mae and Servicer are not aligned.

Field	Action
Servicer Number	Enter 9 Digit Servicer Number
Fannie Mae Loan Number	Enter the Fannie Mae loan number for each identified item. Note: Multiple attribute exception for single loan number should be listed individually
Servicer Loan Number	Enter the Servicer loan number for each identified item.



Reason	Select the reason from Dropdown. Reason Description and recommended action is in Workout Reconciliation Form
Attribute	Select attribute to be changed from Dropdown if there is an attribute difference between Fannie Mae & Servicer
FNM Value	Enter FNM value for the selected attribute above from Closed Mod Report
Servicer Value	Enter Servicer value for the selected attribute above from Servicer system
Correct Value	Enter correct value as shown in Loan modification agreement
Servicer Comments	Enter Servicer comments as applicable. Note: Comments are required if Reason 7 (Other) is selected
Age (in days)	Enter the age of the loans (number of days in 30-day increments) that has been unresolved – 0, 30, 60, 90+
Target Resolution Date	Enter Servicer expected date of resolution.

Servicer Number	FNM Loan Number	Servicer Loan Number	Reason (Select from list)	Attribute (Select from list)	FNM Value	Servicer Value	Correct Value	Servicer Comments	Age (in days) (Select from list)	Target Resolution Date

## Footer

Complete the following sections of the footer:

Field	Action
Servicer Name	Enter the name of Servicer
Prepared By	Enter your printed name



Approved By	Enter the designated second signature (approver)
Prepared Date	Enter the date the reconciliation is completed

<b>Servicer Name</b>	
<b>Prepared By:</b>	
<b>Approved By:</b>	
<b>Prepared Date:</b>	