



Single Family Master Servicing (LL-2023-05)

Fannie Mae Process Requirements

Updated on August 12, 2024



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Document Change History

Published Date	Modified Section	Description
June 26, 2024	All Sections	Initial document publication
August 12, 2024	Introduction	For summary reporting mortgage loans that have an actual/actual or scheduled/scheduled remittance type, servicers will be required to submit a LAR 96, reporting borrower payment activity, no later than the next business day after the servicer processes the payment transaction in its system.



Introduction

As announced in LL-2023-05, with a goal to further simplify and streamline servicer reporting, Fannie Mae will introduce the reporting due date changes for summary reporting loans effective September 2024 loan reporting cycle.

NOTE: Reporting due date changes for summary reporting loans applies only to Actual/Actual and Schedule/Scheduled loans. Next Day Reporting for Scheduled/Actual loan is encouraged, but not required.

Reporting Due Date Changes for Summary Reporting Loans

Fannie Mae is changing the reporting due date for summary reporting mortgage loans that have an actual/actual or scheduled/scheduled remittance type. Servicers will be required to submit a Loan Activity Report (LAR) 96, reporting borrower payment activity, no later than the next business day after the servicer processes the payment transaction in its system. Next business day reporting for scheduled/actual loans is encouraged, but not required. For all summary loans, if no payment is received from the borrower, a LAR 96 must still be reported by the twenty-second calendar day of the month of the reporting period. If the twenty-second 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 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. The timing for reporting removal activity remains unchanged.

NOTE: Aligned with the current process, we will continue to record activity for the last LAR 96 successfully processed.

Current Process

Servicing Guide Section C-4.3-01: Servicer Responsibilities Related to Investor Reporting (01/18/2017) describes the current timing related to reporting to Fannie Mae’s investor reporting system.

The servicer must...

- Use an automated format to report all loan-level transactions on its entire mortgage loan portfolio using Fannie Mae’s investor reporting system.
- Ensure the transactions are reported in sufficient time for Fannie Mae to receive the notifications based on the following table.

not a removal transaction	<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. • 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.
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a removal transaction (payoff, repurchase or foreclosure action)	<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 its system on the first business day of the month. • corrections to reporting errors for removal transactions by 5 p.m. eastern time on the second business day of the month following the reporting period.
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The following is an illustrative example of payment reporting activity, prior to the reporting due date change.

Current State

Payment Activity			
Processing Month	Aug-24		
Transaction Type	Contractual Payment	Curtailment	Contractual Payment + Curtailment
Borrower Payment Date	8/2/2024	8/14/2024	
Borrower Loan Payment	\$ 1,505.13	\$ 10,000.00	
Servicer Submits LAR on:			8/22/2024
Servicer Reported LAR			
LPI Date			08/2024
Actual UPB Amount			\$314,019.47
Principal Remittance Amount			\$ 10,491.03
Interest Remittance Amount			\$ 900.42
Action Code			00
Action Date			8/14/2024
Other Fees Collected Amount			\$0.00



Change to Process

The following table describes the updated timing requirement for reporting borrower payment transactions to Fannie Mae.

If the transaction is...	Then the servicer must report...
not a removal transaction	<ul style="list-style-type: none"> • by 8 p.m. eastern time on the next business day, if the servicer processes the transaction in its system on the previous business day. • by 8 p.m. eastern time on the first business day of the month, if the servicer processes the transaction in its system on the first business day of the month. • on all mortgage loans with no payment activity 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. • corrections to reported activity should be addressed in a timely manner. • 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 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.
If the transaction is...	Then the servicer must report...
a removal transaction (payoff, repurchase or foreclosure action) NOTE: <i>the timing for reporting a removal transaction to Fannie Mae remains unchanged</i>	<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 processes the transaction in its system on the previous business day. • corrections to reporting errors for removal transactions as soon as possible but no later than 5 p.m. eastern time on the second business day of the month following the reporting period.

NOTE: *Aligned with the current process, Fannie Mae will continue to record activity for the last LAR 96 successfully processed.*



NOTE: There are no changes to the interim reporting end date (CD22) LAR 96 reporting requirement.

Servicers are encouraged to report BD1 corrections by 8 p.m. eastern time, to minimize correction activity on BD2 (Cycle close).

The following is an illustrative example of September payment reporting activity, servicers will be required to report borrower payment activity, no later than the next business day after the servicer processes the payment transaction in its system.

Future State Payment Reporting Effective September 2024 Reporting

Payment Activity			
Processing Month	Sep-24		
Transaction Type	Contractual Payment (P&I)	Curtailment 1	Curtailment 2
Borrower Payment Date	9/5/2024	9/13/2024	9/24/2024
Borrower Loan Payment	\$ 1,380.40	\$ 10,000.00	\$ 5,000.00
Servicer Submits LAR on:	9/6/2024	9/14/2024	9/25/2024
Servicer Reported LAR			
LPI Date	09/2024	09/2024	09/2024
Actual UPB Amount	\$ 324,019.47	\$314,019.47	\$309,019.47
Principal Remittance Amount	\$ 491.03	\$ 10,491.03	\$ 15,491.03
Interest Remittance Amount	\$ 889.37	\$ 889.37	\$ 889.37
Action Code	00	00	00
Action Date	9/5/2024	9/13/2024	9/24/2024
Other Fees Collected Amount	\$0.00	\$0.00	\$0.00

For More Information

Servicers should contact future_of_servicing@fanniemae.com, their Servicing Consultant, Portfolio Manager or call 1-800-2FANNIE (1-800-232-6643, Option 1, Option 6) with any questions regarding this Process Requirements Document.