



Investor Reporting System Release Notes

Enhancements to the Closed Modification Process

February 20, 2018

Effective April 4, 2018, Fannie Mae will implement the following Investor Reporting system change:

- Closed Modification Enhancements to Reduce Fatal Edits

Closed Modification Enhancements to Reduce Fatal Edits

Fannie Mae's Investor Reporting system will be updated to accept closed delinquency modifications after a Loan Activity Report (LAR) with Last Paid Installment (LPI) Due Date and/or Unpaid Principal Balance (UPB) movement is processed in the current reporting month. Servicers will no longer receive the *"LAR with UPB and/or LPI movement processed in current activity period"* Fatal edit for this scenario.

Following the acceptance of a LAR with LPI and/or UPB movement, Fannie Mae will not accept another LAR (LAR 96) for the same reporting month. Any LAR received will be deemed "Invalid" and be reflected as such in the **Loan Activity Summary Report**. The "Invalid" LAR will not be recycled. Servicers must report a LAR in the next reporting month. A detailed list of invalid LAR(s) can be obtained from your Investor Reporting analyst. The first LAR that Fannie Mae will accept after the Del Mod will be in the next reporting month.

NOTE: After the closed delinquency modification has been accepted, Fannie Mae's Investor Reporting system will not accept a pre-modification payment LAR for the current reporting month. Servicers must cancel the delinquency modification in order for the Investor Reporting system to accept a pre-modification payment LAR for the current reporting month.

This enhancement also applies to bankruptcy "cram-down" modifications. Fannie Mae's Investor Reporting system will also accept bankruptcy "cram-down" modifications after a LAR with LPI and/or UPB movement is processed in the current reporting month. Servicers will no longer receive the *"LAR with UPB and/or LPI movement processed in current activity period"* Fatal edit for this scenario

Additional Resources

For more information about these changes, servicers should contact their Fannie Mae Investor Reporting representative at 1-800-2FANNIE (1-800-232-6643) or Master_Servicing@fanniemae.com.

Please refer to Fannie Mae's [Investor Reporting and Remitting Calendar](#) for information on the investor reporting and remitting dates.