



## Changes to Transaction Type 83 (Tran 83) Payment Recast Processing for Scheduled/Scheduled (S/S) loans

Beginning July 21, 2018, servicers can report Loan Activity Report 96 (LAR 96) and Transaction Type 83 (Tran 83) with the changed principal and interest (P&I) constant in the same month. This allows servicers to request a change to the borrower's monthly mortgage payment resulting from a curtailment in the current reporting period on Scheduled/Scheduled (S/S) loans, with an effective date of the subsequent month. Servicers no longer need to maintain two sets of records.

Provided that the Payment Loan Activity Report (LAR) 96 is already accepted, Fannie Mae calculates the new expected Principal and Scheduled UPB and processes a Payment Loan Activity Report (LAR) 96 along with the Servicer reported values for Actual UPB, LPI Date, Interest, Action Code, Action Date, and Other Fees.

### Example 1: Loan Activity Reporting – Payment with Curtailment and a Payment Recast for the Scheduled Loan Principal and Interest (LPI)

Scenario: Borrower makes a curtailment with their regular scheduled payment and have requested a Payment Recast for their next scheduled payment.

- Loan is current
- Activity Period: 11/01/2017 – 11/30/2017
- Payment and Curtailment made on 11/03/2017
- New P&I amount finalized with Borrower on 11/23/2017

Activity	Process Date	Activity Period	Reported UPB (\$)	LPI Date	Principal Reported(\$)	Interest Reported(\$)	Interest Difference	Action Code	Action Date	Other Fees Collected (\$)	Transaction Submission Source	Payment	Effective Date
LAR 96 Reported w/Curtailment	11/3/2017	11/30/2017	\$259,803.00	11/1/2017	\$75,933.23	\$1,395.01	\$0.00	0	11/2/2017	\$0.00	Servicer, B2B		
Tran 83 Payment Recast	11/23/2017										Servicer, B2B	\$1,627.20	12/1/2017
LAR 96 Reversal - Fannie Mae	11/23/2017	11/30/2017	\$259,803.00	10/1/2017	(\$75,933.23)	(\$1,395.01)	\$0.00	0	11/2/2017	\$0.00	Internal, Batch		
LAR 96 Calculation - Fannie Mae	11/23/2017	11/30/2017	\$259,803.00	11/1/2017	\$75,463.50	\$1,395.01	\$0.00	0	11/2/2017	\$0.00	Internal, Batch		

**LAR 96 Reversal – Fannie Mae:** Upon acceptance of the servicer submitted Tran 83, Fannie Mae to reverse out current accepted LAR 96 reflective of the curtailment applied.

**LAR 96 Calculation – Fannie Mae:** Fannie Mae to calculate new scheduled UPB and scheduled Principal based on the new P&I amount for the effective date. Fannie Mae calculated LAR 96 values to be drafted and included in the Remittance Detail – P&I Report for S/S SWAP loans. Servicers to remit funds for S/S Cash loans

### Supporting Attributes:

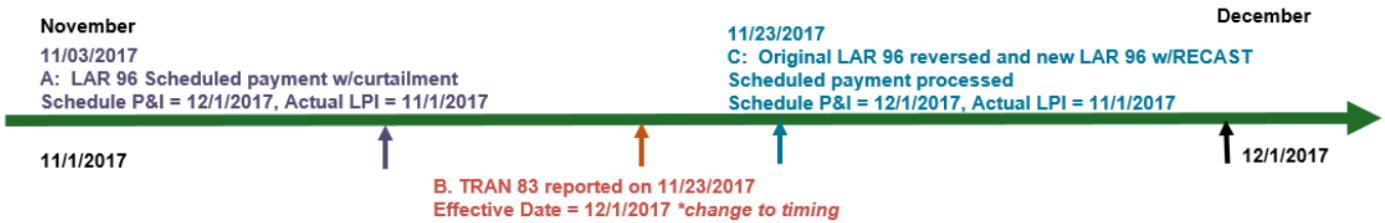
#### Pre-Tran 83 Post-Tran 83

Note Rate	5.375%	
LPT	5.00%	
P&I Amount	\$2,096.93	\$1,627.20
Prior Scheduled UPB	334,803.00	334,803.00
Actual UPB	259,803.00	259,803.00
Scheduled Principal	933.23	463.5
Scheduled Interest	1,395.01	1,395.01
Scheduled UPB	258,869.77	259,339.50
Principal Reported	75,933.23	75,463.50

### Example 1 Continued



## Timeline for S/S Recast:



- November LAR 96 reports the scheduled December P&I with curtailment reported successfully.
- The **Tran 83** reports new P&I with Effective Date equal to the Scheduled P&I. The Scheduled P&I payment is 12/1/2017. The Tran 83 can be reported successfully any time after 11/3/2017 and before December BD2.
- If the Tran 83 is processed after the LAR 96 then the original LAR 96 transaction will be reversed and then a system generated LAR 96 with the new P&I amount in effect will be processed on the loan.
- December LAR 96 reports and future LARs use the new P&I Amount payment.



## Changes to Transaction Type 83 (Tran 83) Payment Recast Processing

**Example 2:** Loan Activity Reporting – Payment Recast due to a Curtailment in a Prior Cycle for the Scheduled Loan Principal and Interest (LPI)

Scenario: Borrower requests a Payment Recast for their next scheduled payment due to a curtailment made in a prior period.

- Loan is delinquent 1 month
- Activity Period: 11/01/2017 – 11/30/2017
- Curtailment made in prior period. Curtailment applied when loan was Current
- New P&I amount finalized with Borrower on 11/27/2017

Activity	Process Date	Activity Period	Reported UPB (\$)	LPI Date	Principal Reported(\$)	Interest Reported(\$)	Interest Difference	Action Code	Action Date	Other Fees Collected (\$)	Transaction Submission Source	Payment	Effective Date
LAR 96 Reported w/Curtailment	8/11/2017	8/31/2017	\$57,055.73	8/1/2017	\$120,670.14	\$590.19	\$0.00	0	8/10/2017	\$0.00	Servicer, B2B		
LAR 96 Reported	9/15/2017	9/30/2017	\$56,385.59	9/1/2017	\$672.51	\$187.95	\$0.00	0	9/14/2017	\$0.00	Servicer, B2B		
LAR 96 Reported	10/10/2017	10/31/2017	\$55,713.08	10/1/2017	\$674.89	\$185.71	\$0.00	0	10/9/2017	\$0.00	Servicer, B2B		
LAR 96 Reported	11/18/2017	11/30/2017	\$55,713.08	10/1/2017	\$677.28	\$183.46	\$0.00	0	11/17/2017	\$0.00	Servicer, B2B		
Tran 83 Payment Recast	11/27/2017										Servicer, B2B	272.27	12/1/2017
LAR 96 Reversal - Fannie Mae	11/27/2017	11/30/2017	\$55,713.08	10/1/2017	(\$677.28)	(\$183.46)	\$0.00	0	11/17/2017	\$0.00	Internal, Batch		
LAR 96 Calculation - Fannie Mae	11/27/2017	11/30/2017	\$55,713.08	10/1/2017	\$77.34	\$183.46	\$0.00	0	11/17/2017	\$0.00	Internal, Batch		

**LAR 96 Reversal – Fannie Mae:** Upon acceptance of the servicer submitted Tran 83, Fannie Mae to reverse out current accepted LAR 96.

**LAR 96 Calculation – Fannie Mae:** Fannie Mae to calculate new scheduled UPB and scheduled Principal based on the new P&I effective date. Fannie Mae calculated LAR 96 values to be drafted and included in the Remittance Detail – P&I Report for S/S SWAP loans. Servicers to remit funds for S/S Cash loans.

### Supporting Attributes:

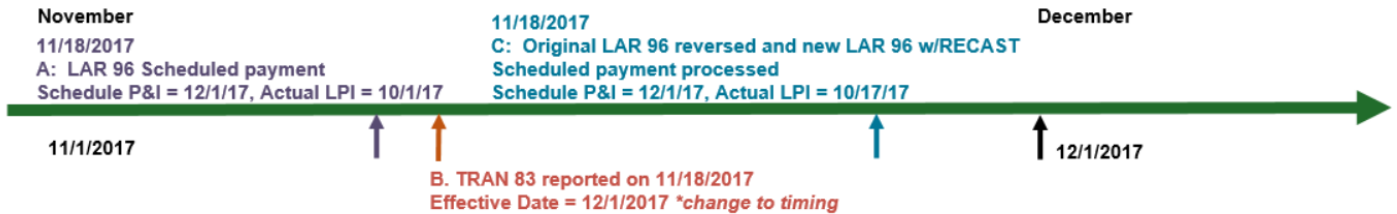
#### Pre-Tran 83 Post-Tran 83

Note Rate	4.25%	
LPT	4.00%	
P&I Amount	872.21	272.27
Prior Scheduled UPB	55,038.19	55,038.19
Actual UPB	55,713.08	55,713.08
Scheduled Principal	677.28	77.34
Scheduled Interest	183.46	183.46
Scheduled UPB	54,360.91	54,960.85
Principal Reported	677.28	77.34



## Example 2 Continued

### Scheduled/Scheduled LAR 96 with Recast with Curtailment in Prior Period:



- November **LAR 96** reports the scheduled December 1<sup>st</sup> payment with the curtailment received in prior cycle.
- The **Tran 83** reports new P&I with Effective Date equal to the Scheduled P&I. The Scheduled P&I payment is 12/1/2017. The Tran 83 can be reported successfully any time after 11/3/2017 and before December BD2.
- If the Tran 83 is processed after the LAR 96 then the original **LAR 96** transaction will be reversed and then a system generated **LAR 96** with the new P&I amount in effect will be processed on the loan.
- December **LAR 96** reports and future LARs use the new P&I Amount payment.



### Changes to Transaction Type 83 (Tran 83) Payment Recast Processing

**Example 3:** Loan Activity Reporting – Payment Recast due to a Curtailment in Current Cycle for the Scheduled Loan Principal and Interest (LPI)

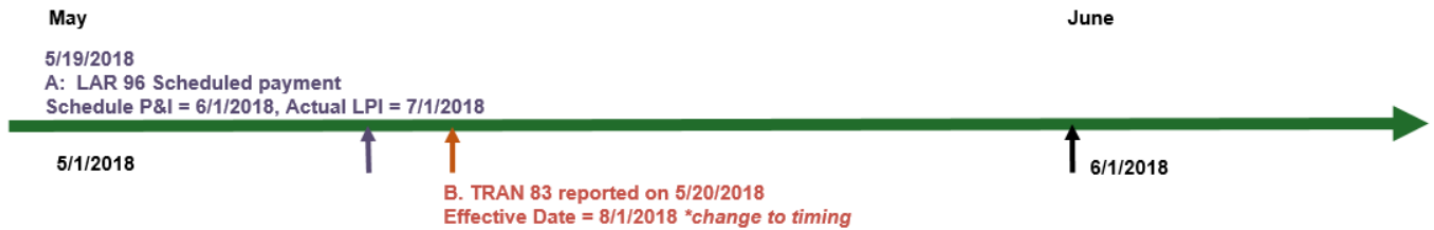
Scenario: Borrower requests a Payment Recast for their next scheduled payment due to a curtailment made in the current period.

- Loan is prepaid
- Activity Period: 5/01/2018 – 5/31/2018
- Curtailment made in current period. Curtailment applied when loan was prepaid
- New P&I amount finalized with Borrower on 5/19/2018

Activity	Process Date	Activity Period	Reported UPB (\$)	LPI Date	Principal Reported	Interest Reported	Interest Difference	Action Code	Action Date	Other Fees Collected (\$)	Transaction Submission Source	Payment	Effective Date
LAR 96 Reported w/Curtailment	5/19/2018	5/31/2018	\$ 15,154.20	7/1/2018	49,314.07	135.65	\$0.00	0	5/18/2018	0	Servicer B2B		
Tran 83 Payment Recast	5/20/2018										Servicer B2B	\$ 110.40	8/1/2018

**Tran 83:** Effective Date for a Tran 83 must be greater than the actual LPI.

### Scheduled/Scheduled (S/S) LAR 96 With Recast with Curtailment in Current Period (Prepaid):



- May LAR 96 reports the scheduled June 1<sup>st</sup> payment with the curtailment received in current cycle and an Actual LPI of 7/1/2018.
- The **Tran 83** reports new P&I with Effective Date greater than the Actual LPI. The Scheduled P&I payment is 6/1/2018. The Tran 83 can be reported successfully any time after the LAR 96 with the curtailment is accepted.

**NOTE:** Effective Date for a Tran 83 must be greater than the actual LPI Date.



## Changes to Transaction Type 83 (Tran 83) Payment Recast Processing

**Example 4:** Loan Activity Reporting – Soft Rejected Payment with Curtailment and a Payment Recast for the Scheduled Loan Principal and Interest (LPI)

Scenario: Borrower makes a curtailment with their regular scheduled payment and have requested a Payment Recast for their next scheduled payment.

- Current loan with a Soft Reject
- Activity Period: 11/01/2017 – 11/30/2017
- Payment and Curtailment made on 11/03/2017
- New P&I amount finalized with Borrower on 11/23/2017

Activity	Process Date	Activity Period	Reported UPB (\$)	LPI Date	Principal Reported	Interest Reported	Interest Difference	Action Code	Action Date	Other Fees Collected (\$)	Transaction Submission Source	Payment	Effective Date
LAR 96 Reported w/Curtailment	11/3/2017	11/30/2017	\$ 259,803.00	11/1/2017	\$ 75,933.23	\$ 1,390.01	\$ 5.00	0	11/2/2017	0	Servicer B2B		
Tran 83 Payment Recast	11/23/2017										Servicer B2B	\$ 1,627.20	12/1/2017
LAR 96 Reversal - Fannie Mae	11/23/2017	11/30/2017	\$ 259,803.00	11/1/2017	\$ (75,933.23)	\$ (1,390.01)	\$ (5.00)	0	11/2/2017	0	Internal Batch		
LAR 96 Calculation - Fannie Mae	11/23/2017	11/30/2017	\$ 259,803.00	11/1/2017	\$ 75,463.50	\$ 1,390.01	\$ 5.00	0	11/2/2017	0	Internal Batch		

**LAR 96 Reversal – Fannie Mae:** Upon acceptance of the servicer submitted Tran 83, Fannie Mae to reverse out current accepted LAR 96 reflective of the curtailment applied.

**LAR 96 Calculation – Fannie Mae:** Fannie Mae to calculate new scheduled UPB and scheduled Principal based on the new P&I effective with the effective date. The Soft Reject will remain until resolved by the servicer. Fannie Mae expected LAR 96 values to be drafted and included in the Remittance Detail – P&I Report for SWAP loans. Servicers to remit funds for Cash loans.

### Supporting Attributes:

#### Pre-Tran 83 Post-Tran 83

Note Rate	5.375%	
LPT	5.00%	
P&I Amount	\$2,096.93	\$1,627.20
Prior Scheduled UPB	334,803.00	334,803.00
Actual UPB	259,803.00	259,803.00
Scheduled Principal	933.23	463.5
Scheduled Interest	1,395.01	1,395.01
Scheduled UPB	258,869.77	259,339.50
Principal Reported	75,933.23	75,463.50

If you have questions about this upcoming change, please contact Master Servicing at 1-800-2-FANNIE.