



Loan Quality Connect™

Frequently Asked Questions

Nov. 2021

[Loan Quality Connect](#) is a state-of-the-art system that transforms the way we work with lenders to drive loan quality and manage the post-purchase review process. It allows lenders and Fannie Mae staff to collaborate on file requests, loan reviews, the Data Validation Center process, and more. (To obtain the best experience with Loan Quality Connect™ we recommend using web browser Google Chrome or the new Microsoft Edge.)

Need access to Loan Quality Connect?

If you are a first-time user with no prior access to Loan Quality Connect, contact your organization’s Corporate Administrator for Fannie Mae technology to request log-in access. Once registered, you will receive log-in credentials to change your password and update your personal profile.

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[Loan Quality Connect Learning Center](#)

[Fannie Mae Selling Guide](#)

Loan Quality Connect Defect Notice (LQDN)

Q1. What is a Loan Quality Defect Notice, or LQDN?

When Fannie Mae cites a significant defect after a full loan review, Loan Quality Connect triggers a LQDN. The LQDN initiates a “pre-demand” opportunity that:

- Allows the lender to correct significant defect(s) before a Resolution Request is formally issued.
- Notifies the lender of any Findings that can also be corrected but are noted for information and can be used for a training opportunity. A Finding alone will never result in a Resolution Request.
- If significant defect(s) are corrected, the need to issue a Resolution Request is eliminated.

View the [Loan Quality Defect Notice job aid](#) for more information.



Q2. What is the difference between a Finding and a Significant Defect on an LQDN?

A Finding is a defect that does not rise to the level of significant. Findings do not require a Resolution Request but they can be cured. It is not mandatory to cure a Finding to close the loan file review.

A significant defect is a deficiency that requires a Resolution Request. Significant defects must be cured for the loan file review to be closed in Loan Quality Connect

Q3. Why can't I move my loan to appeal status?

A loan cannot be moved to Appeal status when it is in the LQDN phase. The lender needs to upload documentation to cure the significant defect and add comments explaining their documentation or rationale. (You may also wish to email your Fannie Mae underwriter that you've uploaded documents for our review, but this is not mandatory.)

A loan can only be moved to Appeal status when a Resolution Request letter has been issued and the lender is submitting the first or second response for our review.

Q4. What is the timeline response due date?

A response to the LQDN is due within 15 days; if no lender response is received or the lender provided a response that does not cure the significant defect, a Resolution Request letter will be issued.

Appeal Process

Resources

- [Getting Started – Remediation Specialist Job Aid](#)
- [Responding to a Resolution Request Job Aid](#)
- [Responding to a Reaffirmation Request Job Aid](#)

Q5. I don't understand the significant defect cited (or Fannie Mae's reaffirmation response).

Be sure to check lender comments and any significant defect support doc(s) uploaded; if still unclear, email the Fannie Mae underwriter listed on the letter.

Q6. Why can't I view support docs?

Advance the arrow to reach additional LQCS document pages under the Documents tab. Fannie Mae's support documents are labeled "SignificantDefectSupport."

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Q7. Did I upload my docs correctly if the loan is still in my Resolution Queue?

After verifying the appeal documents were uploaded, go to the “Remedy Status Tab” and “Take Action” dropdown; click on “Appeal.” An additional screen will appear, and you can make a comment before clicking on Submit.

Q8. How many appeals is the lender allowed to submit through Loan Quality Connect?

The lender is allowed to submit a maximum of two appeals. Refer to *Selling Guide A2-3.2-03, Remedies Framework* for more information.

Q9. I can't find the loan in my queue...what happened to it?

This is a task-based system. Once you complete your task, the loan disappears from your queue. To find the status, use the *Advanced search* (located at the top of the screen) to search for the loan.

Q10. I uploaded the wrong file...how can I delete it?

Users cannot delete files once uploaded but your Fannie Mae underwriter can assist you. After the incorrect file is deleted (usually takes at least one day), you can upload the correct loan file.

Loan Files and Documents

Q11. Are there size limits and file naming conventions for uploading loan files and missing documents in Loan Quality Connect?

Loan files and missing documents may be uploaded to the *Bulk Documents* screen and *Tasks* tab when they meet the following criteria:

Loan files up to 400 MB may be uploaded to the *Bulk Document Upload* screen and *Tasks* tab as long as the loan file uses the following file naming convention:

- FannieMaeLoanNumber_LoanFile.pdf
- FannieMaeLoanNumber_<LenderName>.pdf
- FannieMaeLoanNumber_<LenderLoanNumber>.pdf

If a loan file/missing document is uploaded using any other naming convention, you are restricted to uploading no more than 250 MB to the *Tasks* tab.

View the [Document Upload Naming Convention](#) job aid for more information.

Q12. How can I confirm bulk loan files have been submitted to Fannie Mae?

To confirm that bulk loan files have successfully uploaded to Loan Quality Connect:

- Navigate to the *Processed* tab on the *Bulk Upload* screen to view all successful uploads.
- Search for the loan using the search function.



- Access the *Documents* tab, open the loan review, and validate that the loan file document was received.

View the [Bulk Upload of Loan Files or Documents](#) job aid for more information.

Q13. When is a Late Delivery extension request granted?

A lender can submit a Late Delivery request under the *Task* tab, by clicking on the clock and providing acceptable rationale for why additional time is needed for our review.

A request must be submitted prior to the breach date (response date located on the letter or under the Remedy Status tab).

The maximum number of days allowed for a Late Delivery is 30 days; any exceptions beyond this require Fannie Mae management review.

View the job aid [Requesting Additional Time](#) for more information.

User Roles and Email Notifications

Q14. Why do user roles matter in Loan Quality Connect, and what is my role?

Loan Quality Connect is a task-based system, and all system tasks are associated with a corresponding role. Specific roles have permission to perform different actions in the system.

To identify your role in Loan Quality Connect, click the *drop-down menu* next to your name in the top right-hand corner and select *My Account*. Your role will display on the screen.

Loan Quality Connect has four roles:

- Document Technician
- DVC Specialist
- Remediation Specialist
- Manager

View the [Why Your User Role Matters](#) and role specific job aids for more information. If you have questions about your user role that are not addressed in the job aids, please contact 1-800-2Fannie (800-232-6643).

Q15. How do I change my email notifications?

Refer to the job aid [Updating Email Notification Contacts](#) and follow the steps listed there.

Remitting Funds to Fannie Mae

Q16. When we concur with a repurchase request on an active loan, how do we then remit the amount due to Fannie Mae?



Follow the links below for instructions on how to calculate and remit funds on an Actual/Actual (A/A), Scheduled/Actual (S/A), or Scheduled/Scheduled (S/S) loan.

NOTE: *If there is a Servicer involved, contact the Servicer to obtain figures and/or additional information to remit funds.*

[Fannie Mae Investor Reporting Manual](#): calculating and action code information (pages 16–17)

[Cash Remittance System User Guide](#): remittance codes (page 19)

[Remittance calendar](#): reporting cycle time

For additional assistance, contact [Fannie Mae Master Servicing](#) referencing the Fannie Mae loan# and the accompanying Servicer# in the subject line.

Q17. For REO and liquidated properties, how can we obtain a loss reimbursement statement and remit funds?

A lender can request a loss reimbursement statement for REO and liquidated properties via an email request to the crt_fm_loss_statement_requests@fanniemae.com mailbox.

REO Remittance Instructions

Remit funds through Fannie Mae’s Cash Remittance System (CRS); use remittance code **315 – Repurchase Proceeds** or **309-Makewhole Proceeds**.

[Cash Remittance System](#): access, help, training, and additional resources

[Cash Remittance User Guide](#): see pages 11 and 19

HomeStyle® Renovation Functions

Q18. Where can users locate the HomeStyle Renovation (HSR) job aid?

The HSR job aid is located under the *Help* button at the top of the navigation bar in Loan Quality Connect. You can also access the HSR job aid by visiting the [Loan Quality Connect Learning Center](#).

Q19. How do lenders access the HSR Queue in Loan Quality Connect?

Loan Quality Connect access is managed using specified roles – users must have the applicable role to access the HomeStyle Renovation work queue. Users must have a role of “DVC Specialist” or “Manager” to access the *HSR Queue* in Loan Quality Connect. Users can identify their role in Loan Quality Connect by clicking on the drop-down menu next to their name located in the top right-hand corner of the application and select *My Account*. Their role will display on the screen. To change a role in Loan Quality Connect, the lender should reach out to their Corporate Administrator for Fannie Mae technology.

Q20. How can a user locate the HSR loan in Loan Quality Connect?

Click the Search button located below the *HSR Queue* dashboard and enter the desired search criteria (e.g., Fannie Mae Loan #, HSR Request Type, Seller Loan #, borrower Last Name or Property Address). If your loan number does not display, create an HSR Request by following the steps in the [HSR job aid](#).



Q21. How long will it take for recourse to be removed from the loan?

Once a loan is approved for recourse removal, it typically takes between 30 and 60 days for systems to be updated to confirm recourse has been removed.

Q22. Can users manage all HSR tasks within the *HSR Queue*?

Yes, all HSR tasks are managed within the *HSR Queue*.

Q23. What HSR notifications will users receive following an extension or recourse removal request submission?

Loan Quality Connect sends system-generated email notifications (LQCRequest_NoReply@fanniemae.com) to alert lenders to various HSR events or activities within Loan Quality Connect. These notifications include:

- Recourse Removal in Process – notifies the lender when a loan is in the process for recourse removal.
- Review Complete – notifies the lender when the HSR review is complete.
- Completion Near or Past Due Loan Selection – notifies the lender when a loan is near or past the allowable timeframe for renovation completion.
- Approved or Denied Extension Request – notifies the lender whether or not a HSR extension request was approved or denied and the approved extension date, if applicable.
- Document Requested – notifies the lender that documentation is needed in order to approve a HSR Request.

To confirm you are set up to receive email notifications view the *Updating Contacts/Notification* [Job Aid](#).

Q24. Can users delete a request or remove a comment?

You may delete documents, comments, and the HSR request prior to submitting a request. However, once the HSR request has been submitted, you cannot make changes. To request cancellation of an extension or recourse removal request, please contact your DVC Specialist.

If you need to add additional documents or comments, please submit a new HSR request. The system will combine all documents under one loan review, based on the lender loan number.

For technical assistance, call 800-2FANNIE (800-232-6643), Option 1.

The [Technology Support Center](#) is open 24 hours a day, seven days a week except major holidays.