



# Investor Reporting Job Aid

Transaction Type 96 – Loan Activity Reporting





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## Transaction Type 96 – Overview

Transaction 96 is used for reporting loan activity on payment, non-payment, and removal (e.g. payoff, repurchase, or liquidation) transactions.

- Transaction Type 96 LARs for summary reporting loans, for all payment and non-payment activity are due on the 22<sup>nd</sup> calendar day (CD 22) of the month of the reporting period.
  - LARs are due on the preceding business day if CD 22 falls on a weekend or holiday.
  - The LAR is a cumulative snapshot (it is inclusive of all activity).
  - Corrections and new activity for all remittance types (S/S, A/A, S/A) are due by the first Business Day (BD) of the following month.
- Action Code / Action Date is required on all Transaction Type 96 summary reporting.
  - Action Code - 00 required for non-removals.
  - Action Codes for removal transactions or liquidations – 60, 65, 70, 71, 72:
    - 60 – Borrower Payoff / Investor Payoff
    - 65 – Repurchase
    - 70 – Liquidation Held for Sale
    - 71 – Liquidation 3<sup>rd</sup> Party Sale
    - 72 – Liquidation – Pending Conveyance

**NOTE:** *These codes are further defined in the [Investor Reporting and Remitting Calendar](#).*

- Removal transaction (LAR 96) for **all** remittance types are due on the first BD after the servicer processes the removal transaction in its system.
- Mortgage Insurance Discontinuation Codes are **not** Transaction Type 96. They must be reported as Transaction Type 89.
  - This applies to both summary and detail reporting loans.
- Newly acquired A/A loans and MBS S/S loans will be established in Fannie Mae’s investor reporting system the business day after they are acquired.
  - Servicers are required to report LARs in the same month that the loans are acquired.
- Servicers may report Transaction Type 96 LARs via CPU-CPU electronic file transfer, SURF file upload, manual entry in SURF, or via LSDU.
- Fannie Mae requires servicers to submit Transaction Type 96 and 97 detail reporting LARs as they are received from the borrower.



## Removals and Removal Reversals

- If removals (e.g. payoff, repurchase, or liquidation) of S/S loans are reported on Business Day 1 or 2 (BD1 or BD2), then Fannie Mae will include them with the prior month’s reporting cycle.
  - For BD1 removals of S/S loans, the servicer is not required to pay interest through the month of removal.
- In-Cycle Removal Reversals
  - If a removal transaction for an MBS loan was submitted in error and needs to be reversed within the same reporting period (in-cycle reversal), a subsequent monthly LAR transaction should be submitted. It will replace the previously submitted removal.
- Out-of-Cycle Removal Reversals
  - If a servicer needs to correct an erroneous removal out of cycle, they must request a loan reinstatement. At Fannie Mae’s discretion, if the servicer is deemed not to be at fault for the error, the removal is reversed, and the servicer can then report on the loan again.
    - Out of cycle, there is no ability to reverse an erroneous removal of a loan from an MBS pool back into that MBS pool, nor is there an ability to track funds associated with such reversals.
    - If the reinstatement is approved on an erroneous MBS removal, the loan will be brought back as a portfolio mortgage loan (cash loan).

## Possible Options for Reporting Transaction 96 LARs

Servicers may choose to report their activity in different ways. The options are listed in the chart below. Please contact your servicing technology provider to discuss available options.

Under all options, removal transactions must be reported by the next BD and **servicers must review their submitted transactions to determine if they were processed successfully via the Loan Activity Summary Report.**

Report LARs Daily	Report LARs on CD22 & BD1	Hybrid Reporting: CD22 & Daily until BD1
<ul style="list-style-type: none"> <li>▪ Submit removal LARs next BD</li> <li>▪ Submit payment activity LARs daily</li> <li>▪ <b>Review Fannie Mae feedback reports and clear rejects daily through BD1</b></li> <li>▪ Submit no payment activity LARs by CD22</li> </ul>	<ul style="list-style-type: none"> <li>▪ Submit removal LARs next BD</li> <li>▪ Submit all payment and no payment activity LARs by CD22</li> <li>▪ <b>Review Fannie Mae feedback reports and clear rejects</b></li> <li>▪ Submit LAR corrections and additional activity on BD1</li> <li>▪ <b>Review Fannie Mae feedback reports and clear rejects by BD1</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Submit removal LARs next BD</li> <li>▪ Submit all payment and no payment activity LARs by CD22</li> <li>▪ <b>Review Fannie Mae feedback reports and clear rejects</b></li> <li>▪ After CD22, submit LAR corrections and additional activity daily until BD1</li> <li>▪ <b>Review Fannie Mae feedback reports and clear rejects by BD1</b></li> </ul>



## Steps for Reviewing Transaction 96 LARs – Overview

1. **Confirm Fannie Mae Acknowledgement File (SURF) / Successfully Submitted Notification (LSDU)**
  - a. If servicers uploaded LAR file via SURF Upload, check the SURF Acknowledgement File to confirm LARs were received by Fannie Mae.
  - b. If servicers uploaded LAR file via LSDU, ensure that the “successfully submitted” banner shows at the top of the screen after submission. Please allow up to 20 minutes for the submission to process.
2. **Review Loan Activity Summary Report**
  - a. The following BD, servicers should check new Loan Activity Summary Report to determine if submitted transactions were processed successfully.
  - b. The Loan Activity Summary Report provides counts of how transactions were processed: Accepted, Hard Rejected, Soft Rejected, Invalid, or Unreconciled.
  - c. The servicer may also check the new Loan Activity Rejects on the day they submit LARs.
3. **Review / Resolve Rejects**
  - a. If rejects were received, servicers should review the new Loan Activity Rejects, Payment (LAR 96) Exceptions Search in LSDU, or SURF LAR Rejects for loan level error messages.
  - b. Use the information in these reports to determine how to correct the rejected LAR.
  - c. Resubmit the corrected LAR.
  - d. If the corrected LAR was successful, in the next scheduled reject report, the reject error will be:
    - i. Dropped from the Loan Activity Rejects report and
    - ii. Dropped from the Payment (LAR 96) Exceptions Search (LSDU) and
    - iii. Resolved status on SURF LAR Rejects.
4. **Review / Resolve Invalid Transactions**
  - a. If Invalid Transactions were created, servicers should review the reason for these invalid transactions in LSDU and/or contact their Fannie Mae Investor Reporting Analyst to review loans with invalid conditions.
  - b. Invalid conditions must be resolved before Fannie Mae can process the LAR.
  - c. Resubmit the corrected LAR.
  - d. If an invalid condition was resolved successfully, on the next BD, the Loan Activity Summary report will include the LAR in the accepted or rejected count.



## Steps for Reviewing Transaction 96 LARs – Reports and Timing

Report	Application	Availability	Available to Vendor	Available to Servicer
1a. SURF Acknowledgement File	SURF	<ul style="list-style-type: none"> <li>~15 minutes after submission</li> </ul>	N / A	Yes
1b. LSDU Successfully Submitted Notification	LSDU	<ul style="list-style-type: none"> <li>~20 minutes for submission to process</li> </ul>	N / A	Yes
2. Loan Activity Summary Report (count of transactions processed)	Message Manager As Is <i>**Scheduled to move to FNMA Connect Report Center Q4 2019**</i>	<ul style="list-style-type: none"> <li>Daily, except Monday</li> <li>7 :30 am Tues – Sat (EST)</li> <li>2 :30 pm Sun (EST)</li> </ul>	Via B2B	Yes
3a. Loan Activity Rejects – Includes soft and hard rejects and missing LARs (first run only)	FNMA Connect <i>**Scheduled to retire Q4 2019**</i>	<ul style="list-style-type: none"> <li>Three times daily</li> <li>6 :00 am, 10 :00 am, 2 :00 pm (EST)</li> <li>Four times on BD2 only</li> <li>6 :00 am, 10 :00 am, 2 :00 pm, 6 :00 pm (EST) BD2</li> </ul>	Via B2B	Yes
3b. SURF Loan Activity Rejects	SURF	<ul style="list-style-type: none"> <li>Submissions before 8PM EST: ~9AM next BD</li> <li>Submissions after 8PM EST: ~ 9AM 2 BDs after</li> </ul>	N / A	Yes
3c. LSDU Loan Activity Rejects	LSDU	<ul style="list-style-type: none"> <li>Real Time (allow 15 minutes latency)</li> </ul>	N / A	Yes
4. Invalid Transactions (transactions not processed from Loan Activity Summary report)	LSDU	<ul style="list-style-type: none"> <li>Real Time (allow 15 minutes latency)</li> </ul>	N / A	Yes



# Reviewing Transaction 96 LARs – Report Examples

## 1a. SURF Acknowledgement File

```

Transmitted: Mon Oct 3, 2016 15:00:34 EDT
From: Fannie Mae
To: Lender XXXXXXXX
Subj: LAR Transmissions

Fannie Mae has received the following LASER transmission:

Transaction Counts
Loan Activity 2642
Payment/Rate Changes 4
Loan Address Change 0
Lender Loan ID changes 0
Sub Servicer 0
Transfer of Servicing 0
Loan Activity Summary (LAR) Report 0
FHA Case Number 0
Extended Loan Activity 0
HIP Loan Draw 0
MI Discontinuance 67
Rejected Transactions 0

Total Actual UPB 357862231.46
Total Non-HIP UPB 357862231.46
Total HIP UPB 0.00

```

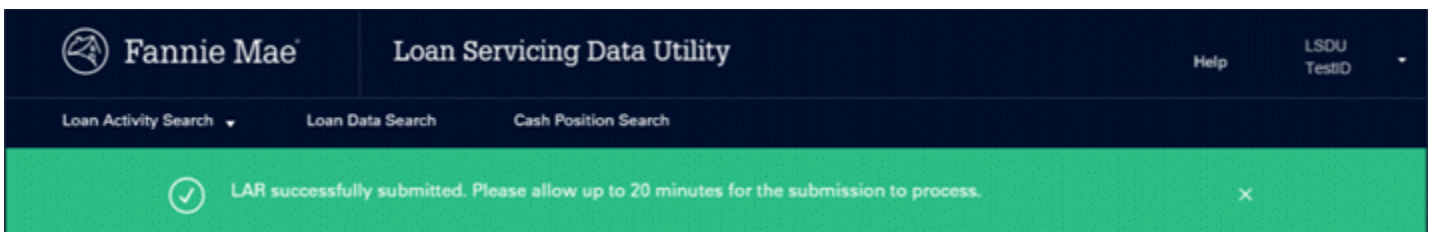
### Key Report Information:

- Indicates SURF Upload File has been received by Fannie Mae.
- Does not mean the LAR File has been processed by Fannie Mae.

### Servicer Action Required:

- If servicers do not receive the SURF Acknowledgement File within 1 hour with appropriate details, they should:
  - Review and confirm the file is formatted properly.
  - Resubmit the corrected file again.
  - If not successful again, contact your Fannie Mae Investor Reporting Analyst for assistance.

## 1b. LSDU Successfully Submitted Notification



**NOTE:** For additional information on how to submit a LAR via LSDU, please refer to the [LSDU eLearning Guide](#) or the [LSDU User Guide](#).



## 2. Loan Activity Summary Report

Servicer Number	Processing Date	Transaction Source	LAR Type	Total Transactions	Accepted	Hard Rejected	Soft Rejected	Invalid	Unreconciled
123456789	9/9/2016	Servicer, User Interface	96	12	6	2	2	2	0
123456789	9/9/2016	Servicer, Batch	96	3	0	0	0	0	3
123456789	9/9/2016	Servicer, B2B	96	13	10	2	0	1	0

### Key Report Information:

- **Accepted** - Number of LARs processed successfully:
  - No additional action required by servicers.
  - Transaction will appear on Trial Balance and Accepted Transaction Report on BD 3 (end of cycle).
- **Hard Rejected** - Number of LARs that triggered a hard reject:
  - Servicers must make adjustments and re-submit the transaction.
  - See Loan Activity Rejects or SURF LAR Rejects for loan level detail.
- **Soft Rejected** - Number of LARs that triggered a soft reject:
  - Servicers must make adjustments and re-submit the transaction.
  - See Loan Activity Rejects or SURF LAR Rejects for loan level detail.
- **Invalid** - Number of LARs that could not be processed:
  - Contact your Investor Reporting Analyst for loan level details or search Invalid Transactions in LSDU.
  - Servicers must make corrections and resubmit the transaction.
- **Unreconciled (if positive number)** - Number of transactions held by Fannie Mae during BD1 or BD2.
  - May also represent number of duplicate LARs in the current submission file or a previously submitted file.
  - Fannie Mae will process held transactions once the current cycle closes. No additional action is required by servicers.
  - Servicers should check the LAR file to determine how to prevent sending future duplicate transactions.
- **Unreconciled (if negative number)** - Number of held transactions processed by Fannie Mae on BD2 + 1.
  - May also represent the number of duplicate LARs in the current submission file or a previously submitted file.
  - Fannie Mae will process held transactions once the current cycle closes. No additional action is required by servicers.
  - Servicers should check the LAR file to determine how to prevent sending future duplicate transactions.





### 3a. Loan Activity Rejects – FNMA Connect

1	2	3	4	5	6	7	8	9	10
Servicer Number	Activity Period	FNMA Manager Name	FNMA Analyst Name	Fannie Mae Loan Number	Servicer Loan ID	Pool Number	Remittance Type	Exception Type	Exception Message
123456789	82016	Mike Manager	Andrew Analyst	XXXXXXXX	XXXXXXXX	AA3250	Scheduled Interest / Scheduled Principal	Soft Reject	Interest reported not equal Fannie Mae calculated
123456789	82016	Mike Manager	Andrew Analyst	XXXXXXXX	XXXXXXXX	893235	Scheduled Interest / Scheduled Principal	Hard Reject	Reported Principal does not match Expected Principal
123456789	82016	Mike Manager	Andrew Analyst	XXXXXXXX	XXXXXXXX		Actual Interest / Actual Principal	Missing LAR - Loan Reclass	
123456789	82016	Mike Manager	Andrew Analyst	XXXXXXXX	XXXXXXXX		Actual Interest / Actual Principal	Missing LAR	

11	12	13	14	15	16	17	18	19	20
LAR Reject Date	Reported Actual UPB	Reported LPI Date	Reported Principal(S)	Reported Interest(S)	Reported Action Code	Reported Action Date	Loan Actual UPB	Loan Scheduled UPB	Loan LPI Date
8/18/2016	35656.98	8/1/2016	1416.34	123.58	0	8/17/2016	35656.98	34235.83	8/1/2016
8/22/2016	138345.49	9/1/2016	260.55	577.53	0	8/31/2016	138855.13		
							252532.42		
							207371.32		

21	22	23	24	25	26	27	28	29	30	31	32
Applied Principal(S)	Applied Curtailment(S)	Applied Interest(S)	Applied Action Code	Applied Action Date	Expected Interest(S)	Interest Difference(S)	Loan P&I Payment Amount	Note Rate	LPT Rate	Gross Servicing Fee Rate	Loan Guaranty Fee Rate
1416.34	0	123.58	0	8/17/2016	118.86	-4.72	1547.44	4.25	4	0.25	0
							881.39	5.375	5	0.25	0.125
							1595.92	5.375	5	0.25	
							1506.52	3.25	3	0.25	

#### Report Definitions:

- **Exception Type (9)** - indicates if reject is Hard, Soft, Missing LAR, or Missing LAR - Reclass reject.
- **Exception Message (10)** - describes the reason for the exception.
- **LAR Reject Date (11)** - identifies the date the LAR was processed.
- **Reported LAR Values (12 – 17)** - shows the information reported by the servicer on the LAR.
- **Loan Actual Values (18 – 20)** – shows the actual loan value in the Fannie Mae investor reporting system.
- **Applied Loan Values (21 – 25)** - For soft rejects, shows the LAR information which was accepted by Fannie Mae.
- **Expected Interest, Interest Difference (26 – 27)** - For soft rejects, shows the interest amount expected by Fannie Mae and the difference from the servicer reported interest.
- **Loan P&I Payment Amount, Note Rate, LPT Rate, Gross Servicing Fee Rate, Loan Guaranty Fee Rate (28 – 32)** – Shows the actual loan parameters in Fannie Mae investor reporting system.

#### Key Report Information:

- SURF Edits.
  - For LAR 96 Transactions, the action code and action date must be entered in the SURF user interface.
- Exception Types.
  - Missing LAR.
    - If a valid LAR has not been processed by the interim reporting date (e.g. CD 22), once a day beginning on following BD (e.g. CD 23), the first scheduled Loan Activity Rejects will show a Missing LAR exception type.
    - This exception type will continue each day until either a LAR is processed successfully or the end of the reporting cycle occurs.
  - Missing LAR – Loan Reclass (only applies to S/S MBS loans).
    - After a delinquent S/S MBS loan is reclassified to A/A, servicers will receive a purchase advice.
    - Servicers should submit an A/A LAR for that loan as soon as possible.
    - If a valid A/A LAR has not been processed by the interim reporting date (e.g. CD 22), once a day beginning on following BD (e.g. CD 23) the first scheduled Loan Activity Rejects will show a Missing LAR – Loan Reclass exception type.



- This exception type will continue each day until a LAR is processed successfully or the end of the reporting cycle occurs.

### 3b. Loan Activity Rejects – SURF

Status	Item Number	Reject Date	Portfolio Fannie Mae Loan Servicer Loan	Remittance Type Pool	Reject Status Last Status Change	Reject Type Reject Category	Primary Reject Code Reject Reason	Principal Difference Interest Difference UPB Difference
	1	04/11/2018		A/A 000000	New 04/11/2018	Soft Lar Discrepancy	DBR495 Interest reported not equal Fannie Mae calculated	\$0.00 (\$14.52) \$0.00
	2	04/11/2018		A/A 000000	New 04/11/2018	Soft Lar Discrepancy	DBR495 Interest reported not equal Fannie Mae	\$0.00 \$0.02 \$0.00

**NOTE:** For additional information on how to view LAR 96 Exceptions in SURF, please view the [LSDU eLearning Guide](#) (which shows how to view the information in both SURF and LSDU).



### 3c. Loan Activity Rejects – LSDU

Payment (LAR 96) Exception search results (9 loans) Search Results as of 09/21/2019 01:15:34 PM EST [Download](#)

Servicer Number: XXXXXXXX Transaction Type: LAR 96 Exception Type: All Remittance Type: All Loan Sales Type: All

Filter by selecting one or multiple categories below: [Clear All Selection\(s\)](#)

FANNIE MAE LOAN NUMBER	SERVICER NUMBER	SERVICER LOAN NUMBER	REMITTANCE TYPE	LOAN SALES TYPE	EXCEPTION TYPE	REJECT REASON
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Scheduled/Scheduled	Sold - MBS	Hard Reject	Reported Principal does not match Expected Principal.
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Actual/Actual	Portfolio	Hard Reject	Foreclosure UPB Incorrect
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Scheduled/Scheduled	SWAP- MBS	Hard Reject	Reported Principal does not match Expected Principal.
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Scheduled/Scheduled	SWAP- MBS	Hard Reject	Reported Principal does not match Expected Principal.
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Scheduled/Scheduled	Portfolio	Hard Reject	Reported Principal does not match Expected Principal.
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Actual/Actual	Portfolio	Soft Reject	Interest reported not equal Fannie Mae calculated
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Actual/Actual	Portfolio	Soft Reject	Interest reported not equal Fannie Mae calculated
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Actual/Actual	Portfolio	Soft Reject	Interest reported not equal Fannie Mae calculated
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	Actual/Actual	Sold - MBS	Soft Reject	Interest reported not equal Fannie Mae calculated

**NOTE:** For additional information on how to view LAR 96 Exceptions in LSDU please view the [LSDU eLearning Guide](#) or the [LSDU User Guide](#).



## 4. Invalid Transactions

Issue	Possible Causes	Corrective Action
<ul style="list-style-type: none"> <li>LAR is Missing the Loan Action Type Code and/or Action Date</li> </ul>	<ul style="list-style-type: none"> <li>Servicer failed to provide code/action date for LAR 96 transactions</li> <li>For EDI format only – action code 02 must be used for EDI to translate to 00 and D8 must be used as the qualifier to indicate that an action date is to follow</li> </ul>	<ul style="list-style-type: none"> <li>Servicer should enter appropriate action code/action date in the LAR file, SURF, or LSDU</li> <li>Servicer should update EDI translation code and submit corrected transactions</li> </ul>
<ul style="list-style-type: none"> <li>Payment Transaction cannot be Processed on an Inactive Loan</li> </ul>	<ul style="list-style-type: none"> <li>The identified loan is not active in the Fannie Mae qualifier to indicate investor reporting system</li> </ul>	<ul style="list-style-type: none"> <li>If loan is truly active, servicer should follow the loan re-instatement request process</li> </ul>
<ul style="list-style-type: none"> <li>The Loan Activity Action Date cannot be Effective for a Future Loan Activity Period</li> <li>The Loan Activity Action Date cannot be effective for a Prior Loan Activity Period</li> </ul>	<ul style="list-style-type: none"> <li>Servicer is reporting an action date which is greater than the current processing month</li> <li>Servicer is reporting an action date which is prior to the current processing month</li> </ul>	<ul style="list-style-type: none"> <li>Servicer should review data and submit corrected transactions</li> </ul>
<ul style="list-style-type: none"> <li>LAR set Failed Servicer Match</li> </ul>	<ul style="list-style-type: none"> <li>Servicer is reporting more than one LAR for a loan, but one of the LARs has an incorrect servicer number</li> </ul>	<ul style="list-style-type: none"> <li>Servicer should review data and submit corrected transactions</li> </ul>
<ul style="list-style-type: none"> <li>Invalid Fannie Mae Loan Number (Does not exist in SIR/LSDU Database)</li> </ul>	<ul style="list-style-type: none"> <li>Servicers are sending in LARs for loans which are not in the Fannie Mae investor reporting system</li> </ul>	<ul style="list-style-type: none"> <li>Loans will be available in the Fannie Mae investor reporting system in the month of acquisition on the BD following settlement</li> <li>Loan activity may be reported, as applicable, anytime thereafter</li> </ul>