

Commitment Eligibility Edit Quick Tips for MBS

Several MBS commitment eligibility edits were moved upfront in Loan Delivery to identify commitment/contract-related issues prior to submission. The MBS edits will transition from warning to fatal severity in November 2020

Review the quick tips and frequently asked questions below for information on how to review and resolve the commitment/contract edits. Commitment eligibility related edits are in the 3000 edit number series. For additional details on the edits, review the [Loan Delivery Business Rules Dictionary](#).

How to Review Commitment Edits

New Commitment Edit Summary and Loan Delivery Filter Options

To assist in managing and working through the loan-level commitment edits, a Commitment Eligibility Edits summary section displays on the Edit Results tab under the Pool Edits. Enhanced filtering options were also added to display All Edits, Commitment Edit Only, and Other (all non-Commitment Edits) using the Edit Category option.

Details	Wiring Instructions	Pool Statistics	GFee - BU/BD	Loans	Edit Results
19 Total Edits					
4 Pool Edits					
Edit ID	Severity	Description			
33	Fatal	Pool Issue Date month and year must be current or upcoming month. [SID: 674]			
Commitment Eligibility Edits - Summary					
Contract No. P007PP					
Edit ID	Severity	Description			
3993	Warning	Pool Issue Date of (2018-02-01) is not within the First Issue Month and Last Issue Month on the MBS Commitment (P007PP) for this loan. [SID: 674] [SID: 399]			
3890	Warning	Contract product attribute(s) do not match loan attribute(s). Review your Contract and loan data to ensure the loan belongs in the Contract.			
15 Loan Edits					
Edit ID	Severity	Loan No	Description		
131	Fatal	CLEAN14	The Last Paid Installment date must be less than or equal to 60 days before the current date. [SID: 440]		
1440	Fatal	CLEAN14	An RD 502 Guaranteed Loan SFC must be provided when Mortgage Type is USDA Rural Housing. [SID: 317]		
					Filter by Edit Category -

Guidance for Resolving Common MBS Commitment Edits

Edit 3500 – Commitment/Contract Number Not Valid

Edit Message: Contract Number (Contract Number) could not be identified as a valid MBS contract. [SID: 399]

Edit 3500 is issued when the commitment/contract number in Loan Delivery cannot be found in PE – MBS. Review your open commitments in PE – MBS (see the [Viewing Open Commitments job aid](#)) and update the contract number as needed in Loan Delivery on the Loan Details page or use the Update All loans functionality to update multiple loans at one time:



Loan Delivery

Contract/Commitment

MBS Investor Information

Contract Number	Ownership Percent
A123AA	100
Remittance Day	Remittance Type
18	3 - Scheduled/Sched

Guaranty Fee Information

Edit 3501 – Commitment is in Pending Status

Edit Message: MBS Contract Number on this loan (Contract Number) is in Pending status. Please contact the Capital Markets Pricing and Sales Desk at 1-800-752-0257 for assistance. [SID: 399]

Edit 3501 identifies when a commitment/contract is in Pending status in PE – MBS.

For standard commitments, a Pending status indicates that the entry of the fields required creating a commitment is incomplete in PE - MBS. Complete the entry of the required fields or contact your Capital Markets representative for assistance.

For negotiated commitments, the contract must be signed before the loans are submitted in Loan Delivery. Edit 3501 will identify that the contract for a negotiated commitment is not signed and is in Pending status. Once the contract is signed and processed, running eligibility in Loan Delivery will clear edit 3501 from each loan. Contact your Fannie Mae customer account team for additional details on negotiated commitments.

Edit 3502 – Seller Number Contract Mismatch

Edit Message: Seller Number (Seller Number) must match the Seller Number on the MBS Contract Number (Contract Number). [SID: 369, 399]

Edit 3502 identifies when the Seller Number provided in Loan Delivery does not match the Seller Number on the contract in PE – MBS. The contract number either will need to be updated in the Contract/Commitment section of the Loan Details in Loan Delivery or in PE – MBS.

EXAMPLE: In this example, the Seller Number on the pool in Loan Delivery is not listed as one of the Seller Numbers in PE – MBS:



Loan Delivery

Details	Wiring Instructions	Pool Statistics	GFee - BU/BD
Pool Detail Information			
Pool Number *	Suffix	Pool Issue Date	Pass-Through Rate
AB1234			
Seller Number *		Delivery Date	Minimum Servicing Fee (Basis Points)
197300000			25.00
Servicer Number	Amortization Type	Accrual Rate Method	
197300000		S - Stated	
Pool Type	Mortgage Type	Pool Feature Codes	
S - Single			

PE - MBS

Seller Name	FANNIE MAE - PRICING INDICATION
Seller Number	-8
Affiliates	-6 (FANNIE MAE - PRICING INDICATION) -9 (FANNIE MAE - PRICING INDICATION)
Commitment Date	02/09/2017 04:11 PM Eastern Time

Edit 3503 – Pool Issue Date Contract Mismatch

Edit Message: Pool Issue Date of (Pool Issue Date) is not within the First Issue Month and Last Issue Month on MBS Contract Number (Contract Number). [SID: 674, 399]

Edit 3503 identifies when the Pool Issue Date provided in Loan Delivery is not within the First and Last Issue Months on the contract in PE – MBS. Review the dates and update the Pool Issue Date or Contract Number in Loan Delivery or update the Contract in PE – MBS.

EXAMPLE: In this example, the Pool Issue Date in Loan Delivery is February 2020, however the Issue Month in PE – MBS is January 2020. Review the issue dates and determine if an update is needed in Loan Delivery or PE – MBS:

Loan Delivery

Details	Wiring Instructions	Pool Statistics	GFee - BU/BD	Loans
Pool Detail Information				
Pool Number *	Suffix	Pool Issue Date	Pass-Through Rate	Financial Institution N
AB1234		02/01/2020		
Seller Number *		Delivery Date	Minimum Servicing Fee (Basis Points)	Remittance Day
197300000			25.00	18
Servicer Number	Amortization Type	Accrual Rate Method	Ownership %	
197300000		S - Stated	100	
Pool Type	Mortgage Type	Pool Feature Codes		
S - Single				

PE - MBS

Commitment Details	
General	
Contract Number	L0
Commitment Amount	\$2,000,000,000
Outstanding Balance	\$1,620,063,142
Product(s)	20-30 FRM
Issue Month	Jan 2020
More Details	

Edit 3600 – Guaranty Fee Mismatch

Edit Message: Guaranty Fee After APM (Guaranty Fee After APM) must match the Guaranty Fee (Commitment Gfee(CapMkts)) on MBS Contract Number (Contract Number). [SID: 374, 399]

Edit 3600 is issued when the Guaranty Fee (GFee) after APM provided in Loan Delivery does not match the GFee on the contract for that product and note rate. Review the GFee after APM in Loan Delivery against the GFee in PE – MBS to determine if an update is needed to the GFee, loan, or contract.



EXAMPLE: In this example, the Gfee after APM in Loan Delivery is 48.00 for a 30-year Fixed Rate loan with a note rate of 3.000. However, the GFee in PE – MBS is 46.00. Review the loan and contract information to determine if an update is needed in Loan Delivery or PE – MBS:

Loan Delivery

Contract/Commitment

MBS Investor Information

Contract Number: [] Ownership Percent: 100 Default Loss P: Investor

Remittance Day: 18 Remittance Type: 3 - Scheduled/Schedu Same Month P: No

Guaranty Fee Information

Per Contract: 48.00 After APM: 48.00 After BuyUp/B: 50.00

PE - MBS

Guaranty Fee and Coupon Price Adjustment

20YR FRM

Coupon	Guaranty Fee	Coupon Price Adjustment
2.000	45.00	0.000
2.500	45.00	0.000
3.000	45.00	0.000

30YR FRM

Coupon	Guaranty Fee	Coupon Price Adjustment
2.000	46.00	0.000
2.500	46.00	0.000
3.000	46.00	0.000
3.500	46.00	0.000

Edit 3602

Edit Message: Pass-Through Rate (Pass-Through Rate) is not a valid Coupon on MBS Contract Number (Contract Number). [SID: 682] [SID: 399]

Edit 3602 identifies when the Pool Pass-Through Rate provided on the Pool Detail Information in Loan Delivery is not a valid coupon on the contract in PE – MBS. Review and update the Pool Pass-Through Rate in Loan Delivery or the contract details in PE – MBS.

EXAMPLE: In this example, the Pool Pass-Through Rate in Loan Delivery is 1.5. However, the Coupons listed on the contract in PE – MBS begin at 2.000.

Loan Delivery

Pool Detail Information

Pool Number *: [] Suffix: A Pool Issue Date: 11/01/2020 Pass-Through Rate: 1.5

PE - MBS

Guaranty Fee and Coupon Price Adjustment

20YR FRM

Coupon	Guaranty Fee	Coupon Price Adjustment
2.000	42.50	0.000
2.500	42.50	0.000
3.000	42.50	0.000
3.500	42.50	0.000
4.000	42.50	0.000



Edits 3604 – Guaranty Fee Mismatch after BU/BD

Edit Message: The difference between the Guaranty Fee Percent After Buyup/Buydown of (|Guaranty Fee After Buyup Buydown|) and Guaranty Fee After APM of (|Guaranty Fee After Alternate Payment Method|) is more than 25 basis points or is greater than the Max Buyup Amount of (|Max Buy Up Amount|) on Contract Number (|Commitment Number|) for this loan. [SID: 374, 375, 399]

Edit 3604 is issued when the difference between the Guaranty Fee (GFee) after Buyup/Buydown (BU/BD) and the GFee after Alternate Payment Method (APM) on the loan is greater than 25 basis points OR exceeds the Maximum Buyup on the Commitment.

Review the GFee’s in Loan Delivery against the GFee’s in PE – MBS to determine if an update is needed to the GFee, loan, or contract.

EXAMPLE: The difference between the Guaranty Fee Percent (after Buyup/Buydown) of (0.68) and Guaranty Fee After Alternate Payment Percent (APM) of (0.4000) is more than 25 basis points or is greater than the Max Buyup Amount of (0.250) on the MBS Commitment (P123AB) for this loan.

In this example, the loan that received the edit had a note rate of 3.5000 and the GFee after BU/BD of 68.00, which is over 25 bps more than the GFee after APM of 40.00. The GFee after BU/BD can be updated on the GFee – BU/BD tab in Loan Delivery.

Loan Delivery

Guaranty Fee After BuyUp / BuyDown Calculation	
BUBD Option: Customized Fit	
Contract Number	Guaranty Fee
▼ P123AB	40.00
Note Rate	Guaranty Fee After BU/BD (Basis Points)
3.2500	40.00
3.3750	62.50
3.5000	68.00
3.6250	68.00

Edit 3707

Edit Message: Cooperatives are not permitted under MBS Contract Number (Contract Number). [SID: 42, 399] Edit 3707 is issued when the Project Type provided in Loan Delivery identifies the loan as a Cooperative (Co-op) but the Co-op Mortgage Indicator in PE – MBS is set to No. Review the Project Type in Loan Delivery and the contract in PE – MBS to determine if an update is needed to the data or contract number in Loan Delivery or to the contract details in PE – MBS.

EXAMPLE: In this example, the Project Type in Loan Delivery is 1 – Full Review Co-op but the Co-Op Mortgage Indicator in PE – MBS is set to No.

Loan Delivery

Property Information			
Property Estate Type	Property Usage Type	No. of Units	Project Type
Fee Simple × ▼	1 - Primary Residence ▼	1	1 - Full Review Co-op ▼



PE - MBS

More Details

Co-Op Mortgage Indicator	No
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Edit 3727

Edit Message: Special Feature Code (Capital Markets SFC) is not permitted under MBS Contract Number (Contract Number). [SID: 368] [SID 399]

Edit 3727 is issued when a Special Feature Code (SFC) provided in Loan Delivery is listed as a prohibited SFC on the contract in PE – MBS. Review the SFCs provided in Loan Delivery and the contract details in PE – MBS to determine if an update to the SFCs is needed in either Loan Delivery or PE – MBS.

EXAMPLE: In this example, SFC 221 is provided in Loan Delivery. However, SFC 221 is listed in PE -MBS as a prohibited SFC, which causes edit 3727 to be issued.

Loan Delivery

Special Feature Codes

211	127	180	221 x
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PE - MBS

More Details

Prohibited SFC(s)	221
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Commitment Eligibility Frequently Asked Questions (FAQs):

Q1. How can I view the MBS commitment eligibility edits in Loan Delivery?

MBS commitment eligibility edits are displayed with other loan edits in Loan Delivery. Filters have been updated on the Edit Results tab to filter by Commitment Eligibility category.

Q2. How do I clear an edit after making an update in PE – MBS or Loan Delivery?

Lenders will need to run edits in Loan Delivery to clear commitment-related edits once a change has been made in Loan Delivery or PE - MBS.

Q3. Can I export the Commitment Eligibility edits?

The Edits CSV export file in Loan Delivery will contain the commitment eligibility edits. A column has been added for edit category to identify the commitment-related edits and to easily sort/filter them.



Q4. Will I still receive an email from Acquisitions Operations when there is a commitment/contract-related issue identified after submission?

Yes. Additional commitment/contract related edits will be added to Loan Delivery over the coming months regarding commitment balance issues and product-related issues. The downstream edits will remain to identify any issues prior to the pool being closed and a notification will be sent from Acquisitions Operations to resolve the issue.

Q5. Can I still submit a pool with a commitment/contract-related edit when the severity is warning?

Yes. The loans can be submitted in Loan Delivery if the edit severity is warning. The loan will still receive an edit downstream and you will receive a notification from Acquisitions Operations to resolve the issue. Several edits will transition to fatal severity on Nov. 16, 2020, and will need to be resolved prior to submitting the loan.

Q6. Are the commitment edits in the Loan Delivery Test Environment?

The edits are not in the Loan Delivery Test Environment (LDTE) at this time.