



# **Future Cash Simplification Changes to Investor Reporting – Fannie Mae Process Requirements**



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## Future Cash Simplification Changes to Investor Reporting – Fannie Mae Process Requirements

**Updated February 11, 2020**

A key goal for the future state of Master Servicing involves simplifying the Investor Reporting cash remittance and reconciliation process. As announced in [Lender Letter LL-2019-07](#), Fannie Mae is updating its Single-Family Investor Reporting requirements:

	Impact by Remittance Type			
	Actual/Actual (A/A)	S/S MRS	S/A	S/S Swap MBS
Fannie Mae-Initiated Principal and Interest (P&I) Drafts for Scheduled/Scheduled (S/S) and Scheduled/Actual (S/A) Portfolio Mortgage Loans	No Change (Servicer-Initiated)	✓	✓	No Change (Fannie Mae-Initiated)
Additional Investor Reporting Operational Enhancements				
<ul style="list-style-type: none"> <li>modify the cash reconciliation cycle to reduce lag time between reporting and cash cycle close</li> </ul>	✓	✓	✓	No Change (Currently BD-2)
<ul style="list-style-type: none"> <li>draft borrower contribution (unapplied funds) on mortgage loan modifications on the scheduled P&amp;I draft date</li> </ul>	No Change (Servicer-Initiated)	✓	✓	No change
<ul style="list-style-type: none"> <li>draft/reimburse the net of SCRA adjustments</li> </ul>	No change	S/S PFP Loans Only	No change	No change

With [Servicing Guide Announcement SVC-2019-08](#) Fannie Mae announced an August 2020 effective date for these changes and Fannie Mae will initiate the draft for reported July activities in August 2020. Servicers must implement these changes for cash remittance and reconciliation activity by the August 2020 effective date.



## Fannie Mae-Initiated Monthly P&I Drafts for S/A & S/S Remittance Portfolio Loans

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
Fannie Mae-Initiated Monthly P&I Drafts for S/A & S/S Remittance Portfolio Loans	Monthly P&I Drafts for S/A & S/S Remittance Portfolio Loans	Servicer-Initiated  S/S Draft Date: 18th Calendar Day (CD)  S/A Draft Date: 20th CD	Fannie Mae-Initiated  <b>No Change to Draft Timing:</b> S/S Draft Date: 18th CD S/A Draft Date: 20th CD

### Current Process

Currently, instructions for remitting monthly P&I payments to Fannie Mae for S/A remittance type mortgage loans are provided in the following table:

The servicer must...
Report its remittance for all funds due to Fannie Mae via the Cash Remittance System (CRS) in time for the funds to be available for Fannie Mae's use by the 20th calendar day of each month.  <b>Note:</b> If the 20th calendar day is not a business day, the servicer must report these remittances by the preceding business day.
Transmit the remittance transaction via CRS by 4 p.m. ET on the 19th of each month.  <b>Note:</b> If the 19th calendar day is not a business day, the servicer must transmit the remittance transaction before 4 p.m. ET on the last preceding day.

Currently, instructions for remitting monthly P&I payments to Fannie Mae for S/S remittance type portfolio mortgage loans are provided in the following table:

The servicer must...
Report its remittance for all funds due to Fannie Mae via CRS in time for the funds to be available for Fannie Mae's use by the 18th calendar day of each month.  <b>Note:</b> If the 18th calendar day is not a business day, the servicer must report these remittances by the preceding business day.
Transmit the remittance transaction via CRS by 4 p.m. ET on the 17th of each month.  <b>Note:</b> If the 17th calendar day is not a business day, the servicer must transmit the remittance transaction before 4 p.m. ET on the last preceding day.



## Changes to Process

After the change in process, instructions for remitting monthly P&I payments to Fannie Mae for S/A remittance type mortgage loans will be provided in the following table:

<b>The servicer must...</b>
<p>Make all funds due to Fannie Mae available for drafting by the 20th calendar day of each month, or the preceding business day if the 20th is not a business day.</p> <p><b>Note:</b> To assist a servicer in ensuring it will have sufficient funds on hand in its drafting account, Fannie Mae will provide the Remittance Detail – P&amp;I Report for P&amp;I remittances by the third business day on Fannie Mae’s website.</p>

After the change in process, instructions for remitting monthly P&I payments to Fannie Mae for S/S remittance type portfolio mortgage loans will be provided in the following table:

<b>The servicer must...</b>
<p>Make all funds due to Fannie Mae available for drafting by the 18th calendar day of each month, or the preceding business day if the 18th is not a business day.</p> <p><b>Note:</b> To assist a servicer in ensuring it will have sufficient funds on hand in its drafting account, Fannie Mae will provide the Remittance Detail – P&amp;I Report for P&amp;I remittances by the third business day on Fannie Mae’s website.</p>

When the changes become effective, servicers will no longer be required to report its monthly P&I remittance due to Fannie Mae via CRS for S/A & S/S portfolio loans. Fannie Mae will initiate the draft request for monthly P&I due based on the loan activity reports (LARs) received and processed by Fannie Mae. This new process will reduce touch points and eliminate manual operations for remitting monthly P&I for S/A & S/S portfolio loans while aligning the remittance process with the current process for S/S MBS loans. Additionally, the Schedule 3 reconciliation will no longer be required for S/A & S/S portfolio loans once the servicers complete the post implementation shortage/surplus settle-up process.

Fannie Mae to provide the servicers the Remittance Detail – P&I Report with loan level details for P&I remittances by the third business day on Fannie Mae’s website. Cash Remittance System Draft Notification Report with **monthly P&I remittance data will be available at** summary servicer level **for S/A & S/S portfolio loans** by the third business day on Fannie Mae Connect allowing servicers time to ensure they have sufficient notification for the monthly P&I drafts on the 18<sup>th</sup> and 20<sup>th</sup> calendar days. Additional loan level draft adjustment details for these monthly P&I remittances will be displayed in the Loan Servicing Data Utility’s (LSDU) Cash Position Search and the adjustment details will be available for download in LSDU.

Servicers will continue to use CRS to update their bank account information for S/A and S/S portfolio loans. However, servicers will no longer be able to submit requests for amounts to be drafted for monthly P&I for S/A and S/S portfolio loans. There will be no change to cash portfolio loans with the Actual/Actual (A/A) remittance type as servicers will still be expected to submit their A/A monthly P&I draft requests to Fannie Mae via CRS. Effective, 07/18/2020, servicers will no longer be able to initiate draft requests via CRS with Remittance code of 002 for Scheduled/Actual portfolios and with Remittance Code of 003 for Scheduled/Scheduled.



# Additional Investor Reporting Operating Enhancements

## Changes to the Cash Reconciliation Cycle

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
Changes to the Cash Reconciliation Cycle	Cash Reconciliation Cycle Close	<p><b><u>For all portfolio loans (S/A, S/S &amp; A/A):</u></b></p> <p>By 9 p.m. eastern on CD27 following the loan activity reporting cycle close on BD2</p>	<p><b><u>For S/A &amp; S/S portfolio loans:</u></b></p> <p>By 5 p.m. eastern on BD2, the same day as the loan activity reporting cycle close</p> <p><b><u>For A/A portfolio loans:</u></b></p> <p>By 9 p.m. eastern on BD3, the business day following the loan activity reporting cycle close</p>

## Current Process

The current Cash Reconciliation Cycle is open until the **twenty seventh calendar** day following the Loan Activity Reporting Cycle closed on the **second business** day, allowing analysts to perform various adjustments to clear out shortages and surpluses within servicer’s loan portfolios for all portfolio loans S/A, S/S and A/A. If cash reconciliation adjustments are processed by the **twenty seventh calendar** day, the details for the adjustments are available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect for the current month’s activity. If cash reconciliation adjustments are processed after the **twenty seventh calendar** day, the details for the adjustments are available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect for next month’s activity.

## Changes to Process

With Fannie Mae drafting principal and interest for S/A and S/S portfolio loans based on the accepted loan activity reports processed, there will not be any need for using the existing cash reconciliation process.

The S/A and S/S portfolio loans will be removed from the current cash reconciliation process that results in Shortage Surplus Adjustments. Fannie Mae will move the cash reconciliation cycle close to the **second business** day of the month for S/A and S/S remittance portfolio loans which is the same day as the loan activity reporting cycle close.

For S/A and S/S portfolio loans, Investor Reporting will allow adjustments at loan level, if any adjustments are needed. If a cash adjustment is processed by the **second business** day, the amount will be part of the current month’s P&I draft on CD18 (for S/S loans) and CD20 (for S/A loans). The adjustment amount will be included in the current month’s interest amount within the interest due amount field in the Remittance Detail – P&I Report for P&I remittances. The adjustment details will be displayed in LSDU’s Cash Position Search at loan level with adjustment details available in LSDU for download. In addition, servicers will have access to Remittance Details – Cash Adjustments file with loan level adjustment for remittance types of S/A and S/S portfolio loans via B2B and available in LSDU for download.

If a cash adjustment is processed after the **second business** day, the amount will be part of next month’s P&I draft within the interest due amount field in the Remittance Detail – P&I Report for P&I remittances and be displayed in LSDU’s Cash Position Search at loan level and available for download.

Fannie Mae will move the cash reconciliation cycle close to the **third business** day of the month for Actual/Actual (A/A) remittance portfolio loans, the day following the loan activity reporting cycle close on the **second business** day of the month. If cash reconciliation adjustments are processed by the **third business** day, the amount will be reflected in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect and LSDU’s Cash Position Search for the current month’s activity. However, if



the cash reconciliation adjustments are processed after the **third business** day, the amount will be reflected in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect and LSDU’s Cash Position Search for the next month’s activity.

### Cash Adjustments as Necessary for S/A & S/S Remittance Portfolio Loans

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
Cash Adjustments as necessary for Scheduled/Actual (S/A) & Scheduled/Scheduled (S/S) Remittance Portfolio Loans	Cash Adjustments for Scheduled/Actual (S/A) & Scheduled/Scheduled (S/S) Remittance Portfolio Loans	Shortage/Surplus Adjustments based on Adjustment Type transactions within Investor Reporting	<p><b><u>For S/A &amp; S/S portfolio loans:</u></b></p> <p>Fannie Mae-Initiated net of monthly P&amp;I draft            S/S Draft Date: 18th CD            S/A Draft Date: 20th CD            based on Adjustment Type transactions within Investor Reporting</p> <p><b><u>For A/A portfolio loans:</u></b></p> <p>No change to existing process</p>

### Current Process

The following table illustrates business activities and adjustment types currently used for any necessary cash adjustments made for all portfolio loans S/A, S/S and A/A:

Business Activity	Adjustment Type	Fannie Mae Current
Cash sent to/received from clearing account for Service Members Civil Relief Act Loans (SCRA) interest reimbursed to servicers via shortage surplus adjustment for S/S PFP loans	System to/from Clearing	Recurring Shortage Surplus Adjustment
Cash sent to/received from clearing account for Delinquency Modification adjustments	System to/from Clearing	As Needed Shortage Surplus Adjustment
Business as usual adjustments for various/miscellaneous activities	System to/from Clearing	As Needed Shortage/Surplus Adjustments
Borrower Contribution (Unapplied Funds) applied to interest from Delinquency Modification	Unapplied Funds to Interest	As Needed Shortage Surplus Adjustment
AR/AP Adjustment for Interest differences from LARs with soft rejects	AR/AP Adjustment	As Needed Shortage Surplus Adjustment
Cash transferred from the current activity period to the next activity period to account for cash intended for the next period	Activity Period to Activity Period	As Needed Adjustment with Very Low Volume
Cash transferred between branches of the same servicer to reconcile the cash remitted at the nine-digit servicer level	Branch to Branch	As Needed Adjustment with Very Low Volume



Business Activity	Adjustment Type	Fannie Mae Current
Cash Transferred from one remittance type to another remittance type for cash reconciliation	Remittance Type to Remittance Type	As Needed Adjustment with Very Low Volume
Cash Transferred to Falcon from Investor Reporting	System to Falcon	As Needed Adjustment with Very Low Volume

Shortage/Surplus adjustments are currently processed at the nine-digit servicer level on S/A, S/S and A/A Portfolio loans with adjustment details available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect.

## Changes to Process

The following table illustrates business activities and adjustment types for any necessary cash adjustments for S/A & S/S portfolio loans when the changes become effective:

Business Activity	Adjustment Type	Fannie Mae Before	Fannie Mae After Change
Service Members Civil Relief Act Loans (SCRA) interest reimbursed to servicers for S/S PFP loans	SCRA	Recurring Shortage Surplus Adjustment using the System to/from Clearing Adjustment Type	New Adjustment Type Recurring Adjustment to Fannie Mae-Initiated Draft netted against interest portion of monthly P&I draft

*SCRA definition – Cash adjustment for interest amount on a Service Members Civil Relief Act (SCRA) loan.*

Delinquency Modification Adjustments	Delinquency Modification Adjustment	As Needed Shortage/Surplus Adjustments using the System to/from Clearing Adjustment Type	New Adjustment Type As Needed Adjustment to Fannie Mae-Initiated Draft netted against interest portion of monthly P&I draft
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*Delinquency Modification Adjustment definition – Cash adjustment on a delinquency modified loan.*

Bankruptcy Cramdown Adjustments	Bankruptcy Cramdown Adjustment	As Needed Shortage/Surplus Adjustments using the System to/from Clearing Adjustment Type	New Adjustment Type As Needed Adjustment to Fannie Mae-Initiated Draft netted against interest portion of monthly P&I draft
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*Bankruptcy Cramdown Adjustment definition – Cash adjustment on a bankruptcy cramdown loan.*

Principal and Interest Adjustment	As Needed Shortage/Surplus Adjustments using the	New Adjustment Type As Needed Adjustment to Fannie Mae-Initiated Draft
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Business Activity	Adjustment Type	Fannie Mae Before	Fannie Mae After Change
Business as usual adjustments for various/miscellaneous activities		System to/from Clearing Adjustment Type	netted against interest portion of monthly P&I draft

*Principal & Interest Adjustment definition – Cash adjustment for principal and interest due on a loan.*

Borrower Contribution (Unapplied Funds) applied to interest from a Delinquency Modification	Borrower Contribution	As Needed Shortage Surplus Adjustment	As Needed Adjustment to Fannie Mae-Initiated Draft netted against interest portion of monthly P&I draft
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*Borrower Contribution definition – Cash adjustment for borrower contribution on a delinquency modified loan.*

AR/AP Adjustments for Interest differences from LARs with soft rejects	Principal and Interest Adjustment	As Needed Shortage Surplus Adjustment using the AR/AP Adjustment Type	New Adjustment Type As Needed Adjustment to Fannie Mae-Initiated Draft netted against interest portion of monthly P&I draft
Cash transferred from the current activity period to the next activity period to account for cash intended for the next period	Activity Period to Activity Period	As Needed Adjustment with Very Low Volume	No Longer Applicable
Cash transferred between branches of the same servicer to reconcile the cash remitted at the nine-digit servicer level	Branch to Branch	As Needed Adjustment with Very Low Volume	No Longer Applicable
Cash Transferred from one remittance type to another remittance type for cash reconciliation	Remittance Type to Remittance Type	As Needed Adjustment with Very Low Volume	No Longer Applicable
Cash Transferred to Falcon from Investor Reporting	System to Falcon	As Needed Adjustment with Very Low Volume	No Longer Applicable

Cash adjustments will be processed as necessary at loan level adjusting the ‘Interest due column’ in the Remittance Detail – P&I Report. Fannie Mae will draft/reimburse for the cash adjustment amount automatically and it will be netted against the current month’s P&I draft on CD18 (for S/S loans) and CD20 (for S/A loans) for cash adjustments made by the **second business** day.

If cash adjustments are processed after the **second business** day, Fannie Mae will draft/reimburse for the cash adjustment amount automatically and it will be netted against the interest due amount column in next month’s Remittance Detail – P&I Report.

The breakdown and detail for the cash adjustment amounts will be reflected in LSDU. All the adjustment types are displayed with loan level amounts in the LSDU loan level detail download with the amounts summarized at the 9-digit servicer level prior to the loan level detail download and the adjustment details will be available for download in LSDU. In addition, servicers will have access to Remittance Details – Cash Adjustments file with loan level adjustment for remittance types of S/A and S/S portfolio loans via B2B



and available in LSDU for download. These new cash adjustment types and changes to the process are applicable to S/A and S/S portfolio loans only, with A/A portfolio loans maintaining the current cash adjustment types and current process.

### Service Members Civil Relief Act Loans (SCRA) Cash Adjustment for S/S PFP Loans

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
SCRA Cash Adjustments S/S PFP Loans	SCRA Cash Adjustments S/S PFP Loans	Recurring Shortage/Surplus Adjustments based on Adjustment Type transactions within Investor Reporting	<p><b><u>For S/S PFP loans:</u></b></p> <p>Fannie Mae-Initiated net of monthly P&amp;I draft            S/S Draft Date: 18th CD            S/A Draft Date: 20th CD            based on Adjustment Type transactions within Investor Reporting</p> <p><b><u>For S/A, S/S &amp; A/A portfolio loans and S/S SWAP loans:</u></b></p> <p>No change to existing process</p>

### Current Process

For SCRA loans, servicers submit the 1022 form to the Sailors and Soldiers mailbox by BD9. These SCRA loans can have the following remittance types and current operating process:

- S/S PFP loans:**  
 The interest amount is remitted by servicers at the higher pre-SCRA note rate rather than the lower SCRA rate and the servicers are reimbursed the difference via shortage surplus adjustment (System to/from Clearing).
- S/A, S/S and A/A cash loans:**  
 The note and lender pass thru rates are adjusted down to the lower SCRA rate. The lower SCRA rate is used to calculate the lower P&I payment amount which is used by the servicer to submit their monthly P&I remittance and no draft adjustment is required.
- S/S Swap loans:**  
 The excess interest amount which is the regular note rate interest amount over the SCRA rate interest amount is reimbursed to servicers via ACH.

This SCRA activity with recurring shortage surplus adjustments is for S/S PFP loans, with the details for the adjustments available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect.

### Changes to Process

For SCRA loans, servicers will continue to submit the 1022 form to the Sailors and Soldiers mailbox by BD9. These SCRA loans can have the following remittance types and revised operating process:

- S/S PFP loans:**  
 The SCRA adjustment will reduce the interest due amount to reflect interest calculated using the lower SCRA rate. The interest adjustment amount will be netted on the interest due amount on the Remittance Detail – P&I Report in FM Connect along with adjustment details available for download in LSDU. If a SCRA adjustment is processed after BD2, the P&I draft amount will be adjusted in the next month’s P&I draft and reflected in the following month’s Remittance Detail – P&I Report.
- S/A, S/S and A/A Cash Portfolio loans (No Change):**



The note and lender pass thru rates are adjusted down to the lower SCRA rate. The lower SCRA rate is used to calculate the lower P&I payment amount which is used by the servicer to submit their monthly P&I remittance and no draft adjustment is required.

- **S/S Swap loans (No Change):**

The excess interest amount which is the regular note rate interest amount over the SCRA rate interest amount is reimbursed to servicers via ACH.

Additionally, there will be no changes to the servicers current practices for LAR 96 reporting on SCRA loans which will continue. This SCRA activity with recurring cash adjustments is for S/S PFP loans, with the cash adjustment processed at loan level adjusting the 'Interest due column' in the Remittance Detail – P&I Report and details will be reflected in LSDU with adjustment details available for download in LSDU. In addition, servicers will have access to the Remittance Details – Cash Adjustments file with loan level adjustment for remittance types of S/A and S/S portfolio loans via B2B and available in LSDU for download.

## Fannie Mae to Draft Servicers for Borrower Contribution on Delinquency Modified S/A & S/S Portfolio Loans

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
Fannie Mae to Draft Servicers for Borrower Contribution (Unapplied Funds) on Delinquency Modified S/A & S/S Portfolio Loans	Borrower Contribution (Unapplied Funds) on Delinquency Modified S/A & S/S Portfolio Loans	Shortage/Surplus Adjustments based on Adjustment Type transaction within Investor Reporting	<p><b><u>For S/A &amp; S/S portfolio loans:</u></b>            Fannie Mae-Initiated net of monthly P&amp;I draft            S/S Draft Date: 18th CD            S/A Draft Date: 20th CD            based on Adjustment Type transaction within Investor Reporting</p> <p><b><u>For A/A portfolio loans:</u></b>            No change to existing process</p>

## Current Process

The shortage surplus cash adjustments for the borrower contribution (borrower contribution) activity is the as needed adjustment with the highest volume of activity. Fannie Mae requires Servicers to enter the borrower contribution amount into HSSN/SMDU when a new delinquency modification case is created and submitted to Fannie Mae. The new delinquency modification case is then closed and successfully bridged to Investor Reporting which results in drafting of the borrower contribution amounts which is automatically generated via shortage surplus adjustments. Servicers submit remittance requests for all loans with all remittance types via CRS for borrower contribution on delinquency modified loans. The details of the borrower contribution amounts are available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect. Fannie Mae reimburses the servicer when a delinquency modification case is cancelled with those details also available in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect.

## Changes to Process

Fannie Mae will continue to require servicers to enter borrower contribution amount in HSSN/SMDU when a new delinquency modification case is created and submitted to Fannie Mae. For S/A and S/S portfolio loans, when a new delinquency modification case is closed or cancelled and successfully bridged to Investor Reporting, Fannie Mae will adjust for the borrower contribution amount automatically and it will be netted against the current month's P&I draft on CD18 (for S/S loans) and CD20 (for S/A loans) for cases closed and successfully bridged to Investor Reporting by the **second business** day. The borrower contribution amount will be included within the current month's interest amount within the interest due amount field in the Remittance Detail – P&I Report for P&I remittances. However, if the borrower contribution amount is processed after the **second business** day, Fannie Mae will adjust for the borrower contribution amount automatically and will be netted against the next month's P&I draft. The borrower contribution amount will be included within the next month's interest amount within the interest due amount field in the



Remittance Detail – P&I Report for P&I remittances. The breakdown and detail for the borrower contribution amounts will be reflected in LSDU. The borrower contribution adjustment type is displayed with loan level amounts in the LSDU loan level detail download with the amounts summarized at the 9-digit servicer level prior to the loan level detail download and the adjustment details will be available for download in LSDU. In addition, servicers will have access to Remittance Details – Cash Adjustments file with loan level adjustment for remittance types of S/A and S/S portfolio loans via B2B and available in LSDU for download. This new process for borrower contribution is applicable to S/A and S/S portfolio loans only.

Servicers will still be expected to submit remittance requests for A/A via CRS for borrower contribution on delinquency modified loans and continue to work with Fannie Mae analysts using the existing shortage surplus adjustments process. The timeline for the borrower contribution shortage surplus adjustments will be changed with the cash reconciliation cycle closing on the **third business** day of the month for A/A remittance portfolio loans. If the borrower contribution adjustments are processed by the **third business** day, the amount will be reflected in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect and displayed in LSDU at loan level for the current month’s activity. However, if the borrower contribution adjustments are processed after the **third business** day, the amount will be reflected in the Current Cycle Shortage Surplus Adjustments Report in Fannie Mae Connect and displayed in LSDU at loan level for the next month’s activity.

## Summary Comparison of Changes

Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
Fannie Mae-Initiated Monthly P&I Drafts for S/A & S/S Remittance Portfolio Loans	Monthly P&I Drafts for S/A & S/S Remittance Portfolio Loans	Servicer-Initiated  S/S Draft Date: 18th CD  S/A Draft Date: 20th CD	Fannie Mae-Initiated  <b><u>No Change to Draft Timing:</u></b>  S/S Draft Date: 18th CD  S/A Draft Date: 20th CD
Changes to Cash Reconciliation Cycle	Cash Reconciliation Cycle Close	<b><u>For all portfolio loans (S/A, S/S &amp; A/A):</u></b>  By 9 p.m. eastern on CD27 following the loan activity reporting cycle close on BD2	<b><u>For S/A &amp; S/S portfolio loans:</u></b>  By 5 p.m. eastern on BD2, the same day as the loan activity reporting cycle close  <b><u>For A/A portfolio loans</u></b>  By 9 p.m. eastern on BD3, the business day following the loan activity reporting cycle close
Cash Adjustments as necessary for Scheduled/Actual (S/A) & Scheduled/Scheduled (S/S) Remittance Portfolio Loans	Cash Adjustments for Scheduled/Actual (S/A) & Scheduled/Scheduled (S/S) Remittance Portfolio Loans	Shortage/Surplus Adjustments based on Adjustment Type transactions within Investor Reporting	<b><u>For S/A &amp; S/S portfolio loans:</u></b>  Fannie Mae-Initiated net of monthly P&I draft S/S Draft Date: 18th CD S/A Draft Date: 20th CD based on Adjustment Type transactions within Investor Reporting  <b><u>For A/A portfolio loans:</u></b>  No change to existing process



Requirement Change	Activity	Fannie Mae Current	Fannie Mae After Change
SCRA Cash Adjustments S/S PFP Loans	SCRA Cash Adjustments S/S PFP Loans	Recurring Shortage/Surplus Adjustments based on Adjustment Type transactions within Investor Reporting	<p><b><u>For S/S PFP loans:</u></b></p> <p>Fannie Mae-Initiated net of monthly P&amp;I draft S/S Draft Date: 18th CD S/A Draft Date: 20th CD based on Adjustment Type transactions within Investor Reporting</p> <p><b><u>For S/A, S/S &amp; A/A portfolio loans and S/S SWAP loans:</u></b></p> <p>No change to existing process</p>
Fannie Mae to Draft Servicers for Borrower Contribution (Unapplied Funds) on Delinquency Modified S/A&S/S Portfolio Loans	Borrower Contribution (Unapplied Funds) on Delinquency Modified S/A&S/S Portfolio Loans	Shortage/Surplus Adjustments based on Adjustment Type transaction within Investor Reporting	<p><b><u>For S/A &amp; S/S portfolio loans:</u></b></p> <p>Fannie Mae-Initiated net of monthly P&amp;I draft S/S Draft Date: 18th CD S/A Draft Date: 20th CD based on Adjustment Type transaction within Investor Reporting</p> <p><b><u>For A/A portfolio loans:</u></b></p> <p>No change to existing process</p>

## Summary of Reports in Fannie Mae Connect

Report	Fannie Mae Current	Actual/Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
<b>Remittance Detail Principal and Interest Report</b>	This report will provide loan level principal and interest transaction amounts to be drafted by cash settlement date for Fannie Mae-Initiated remittance codes for S/S MBS SWAP, S/S MBS RPM and S/S MBS Express. Available on 3 <sup>rd</sup> Business Day. This report is also available via B2B for select servicers.	✓	✓	✓	✓	<p>Existing report will add the new Fannie Mae-Initiated remittance types of S/S PFP, S/S and S/A portfolio loans.</p> <p>Interest Due column will be adjusted for SCRA, Borrower contribution and/or any other cash adjustments. The pool number field will be optional instead of required.</p> <p>No change to report timing and will continue to be available via B2B for select servicers.</p>



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
<b>MBS P&amp;I Draft Notifications</b>	Shows the principal and interest amounts to be drafted prior to a draft made by Fannie Mae. Servicers can view the amount that will be drafted via this report to ensure that the necessary funds are available. Available on 3 <sup>rd</sup> Business Day.		✓	✓	✓	No change to the report.
<b>Cash Remittance System Draft Notifications</b>	Shows the amount of funds that were called in to the Servicing Investor Reporting (S/IR) or FALCON systems, allowing servicers to reconcile the amounts to be drafted. The draft will occur for the amount(s) designated by the servicer.	✓				This report will display the funds called in by servicers via CRS for A/A loans. Also, this report will display draft amounts initiated by Fannie Mae for S/S PFP, S/S and S/A portfolio loans.  Servicers will continue to have the ability to change the Routing/Banking Instructions on all remittance types.
<b>Current Cycle Shortage Surplus Adjustments</b>	This report displays loan-level detail for all completed current cycle shortage/surplus adjustment transactions by Servicer Number, Remittance Type, and Effective Date.  This report displays S/S, S/A and A/A shortage surplus adjustments and is available on 3 <sup>rd</sup> Business Day.	✓				This report will display A/A shortage surplus adjustments only.  Report timing to change to BD3+1 (after A/A cash cycle close on BD3).
<b>Accepted Transactions</b>	Accepted Transaction Report assists servicers with monthly reconciliations to address shortage/surplus issues related to the interest calculation differences on LARs.  The report displays S/S, S/A & A/A portfolio loan	✓				This report will display A/A portfolio loan data only.  No change to report timing.



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	data and is available on 3 <sup>rd</sup> Business Day.					
<b>Additional LASER Reports</b>	<p>Allows servicers to reconcile loan data. Potential reports include 1) Lender Recap; 2) Monthly Payment Note Rate Pass-Thru Rate Change Form; 3) Final Maturity Due Report for A/A, S/A, and S/S; 4) Shortage/Surplus Analysis; and 5) Action Reject Code.</p> <p>The report displays S/S, S/A &amp; A/A portfolio loan data and is available on BD2+1.</p>	✓				<p>This report will display A/A portfolio loan data only.</p> <p>Report timing to change to BD3+1 (after A/A cash cycle close).</p>
<b>Consecutive Months Delinquency Status (CMDS)</b>	Report contains loans that have been reported in a particular delinquency status longer than the anticipated timeframe for resolution.					No Change to Report.
<b>Daily Simple Interest and Bi-Weekly Loans Report</b>	ACH Draft Report for Detailed Reporting Portfolios used to perform daily activity reconciliation.					No Change to Report.
<b>DARTS Closed Modification</b>	This report contains all the modifications that were successfully closed in Home Saver Solutions Network (HSSN)/DARTS and have bridged over to the Servicing and Investor Reporting (SIR) system for the specified month. This report includes modifications with and without Failed Business Rules (FBRs).					No Change to Report.
<b>Del Mod Cancellation</b>	Lists all the modifications that have been cancelled in the					No Change to Report.



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	Home Saver Solutions Network (HSSN) /Distressed Activity Recovery Tracking System (DARTS) that required case cancellations in S/IR for servicer's portfolio during the previous day's activity.					
<b>Delinquency Exceptions Details - Multiple SSID</b>	Delivers servicers a detailed snapshot of delinquency status codes that were rejected and need to be corrected. This report provides delinquency status code exceptions for multiple Seller-Servicer IDs in one place and displays more than 5,000 exceptions.					No Change to Report.
<b>Delinquency Modification Failed Business Rules</b>	This report is used to identify corrections that need to be made to loans not updated by Servicing and Investor Reporting (S/IR) due to failed business rules.					No Change to Report.
<b>Delinquency Modification SS Cash P and I Reimbursement Report</b>	This report notifies servicers of funds (Capitalized Advances that were paid to the Servicers when a Modification was closed) that will be drafted from their accounts for cancelled DelMods.					No Change to Report.
<b>Detail Reporting Trial Balance</b>	Each month Detail Reporting Servicers need to reconcile their portfolios balances with Fannie Mae's portfolio balances. The Detail Reporting Trial Balance reports is for the Active Detail Reporting Loans					No Change to Report.





Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	<p>data at the end of Business Day Two. The reports will be published for consumption by servicers. This will enable the servicers to be self-sufficient in order to follow the Fannie Mae Servicing Guide in performing the monthly reconciliations.</p>					
<p><b>DLRS Disbursement Notifications</b></p>	<p>Shows the dollar amount servicers will be reimbursed for delinquent or reclassified loans that have been taken out of the MBS pool and moved to the Actual/Actual portfolio.</p>					<p>No Change to Report.</p>
<p><b>ER Daily Report</b></p>	<p>This daily report notifies servicers of the status of their REOGram Elimination requests in the review to rescind foreclosure sales.</p>					<p>No Change to Report.</p>
<p><b>Expense Reimbursement Dashboard</b></p>	<p>Provides servicer with additional details into the expense reimbursement process for claims and Excess Fees and Costs requests submitted through LoanSphere Invoicing, as well servicer claims escalations submitted through the Inquiry Response Tool (IRT). This report includes trends and potential process improvement opportunities, and underlying details (loan, claim and line level) can be accessed allowing a servicer to conduct additional, individual analytics.</p>					<p>No Change to Report.</p>



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
<b>HomeSaver Solutions Network (HSSN)</b>	Provides 12 months of loan-level data that master servicers and sub-servicers can use for reconciliation. This report offers a comprehensive overview of loans that are in the HSSN with information on modification, deed in lieu, second liens, pre-foreclosure and other.					No Change to Report.
<b>LAR83 Projection and Tracking Report</b>	<p>This daily report provides servicers loan-level data related to ARM Note Rate/Payment projections and provides a status on Transaction Type 83 exceptions. Missing Transaction Type 83 s will be reflected on the report 5 business days after the Note Rate/Payment projection date. This report is also available via B2B for select servicers.</p> <p><b>Note:</b> This Report will no longer be available in FM Connect, beginning November 2019. Visit LSDU for near real-time access to this data.</p>					<p>This Report will no longer be available in FM Connect, beginning November 2019, but continue to be available via B2B for select servicers. Visit LSDU for near real-time access to this data.</p>
<b>Loan Activity Rejects Report</b>	<p>This intra-day report provides servicers loan-level data when reported LAR values do not match the expected values within specified tolerances in S/IR. The report includes data related to Soft Rejects, Hard Rejects, and Missing LAR (first run only). This report is also available via B2B for select servicers.</p>					<p>Beginning November 4, 2019, this report will move to a monthly report on BD2 (end of cycle). The new name for this report will be: "Ending Loan Activity Rejects Report" and continue to be available via B2B for select servicers. Visit LSDU for near real-time access to this data.</p>



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	<p><b>Note:</b> Beginning November 4, 2019, this report will move to a monthly report on BD2 (end of cycle). The new name for this report will be: "Ending Loan Activity Rejects Report". Visit LSDU for near real-time access to this data.</p>					
<b>Loan Activity Summary Report</b>	Fannie Mae will provide a new report of the processing summary counts for LAR 96 transactions once every business day. This report is also available via B2B for select servicers.					No Change to Report and continue to be available via B2B for select servicers.
<b>Loan Level SMBS</b>	This is a monthly loan-level report that supports the draft amounts for the Excess Servicing Fee (ESF) pools.					No Change to Report.
<b>Loan Reinstatement</b>	This report displays loan-level data for all loans reinstated to a servicer's portfolio during the previous day's activity, sorted by servicer number, remittance type, and effective date.					No Change to Report.
<b>Loan Reinstatement Detail Report-Monthly</b>	This report displays loan-level data for all loans reinstated to a servicer's portfolio during the previous day's activity, sorted by servicer number, remittance type, and effective date.					No Change to Report.
<b>Loan Removal</b>	Displays loan-level data for all loans that need to be removed by the servicer from a servicer's portfolio or need to be reported with the correct liquidation action code, sorted by servicer					No Change to Report.



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	number, remittance type, and effective date.					
<b>MBS Guaranty Fee Draft Notifications</b>	Shows the amount a servicer will be drafted for a MBS Guaranty Fee to ensure that adequate funds are available in the servicer-provided account.					No Change to Report.
<b>Outstanding and Completed Title Issues for Servicers</b>	This report provides both Forward and Hecm book title issues outstanding and completed for previous 2 months (starting in December 2016) and Month-To-Date of current month for the chosen servicer.					No Change to Report.
<b>Property Preservation Pre-Foreclosure Servicer Inspections</b>	Provides loan-level details for pre-foreclosure inspections for servicers completed in the past three months.					No Change to Report.
<b>Remittance Detail Guaranty Fee Report</b>	This report will provide a breakdown of loan level guaranty fee amounts to be drafted by cash settlement date.					No Change to Report.
<b>Remittance Update Report (Laser 1401)</b>	Shows loan-level information for Scheduled/Scheduled (S/S) and Actual/Actual (A/A) loans, enabling servicers to compare and reconcile loan data with Fannie Mae's published data.					No Change to Report.
<b>SCRA Cash 1022 Report</b>	Provides servicers with comments and guidance for any necessary resubmittals on their 1022 requests for Cash loans. This report is currently emailed to applicable servicers by their Exceptions					No Change to Report.



Report	Fannie Mae Current	Actual/ Actual (A/A)	S/S (MRS)	S/A	S/S (SWAP MBS)	Fannie Mae After Change
	Transaction Management (ETM) analyst.					
<b>SCRAMBS Disbursement Report</b>	Displays disbursement amounts with corresponding benefit dates for SCRA Benefits processed for the respective month. Encompasses only MBS loans processed by the SCRA Management System.					No Change to Report.
<b>Servicer Workout Incentives Dashboard</b>	The report provides a monthly snapshot of workout incentives paid and unpaid to servicers including monthly volumes and payment amounts by workout type.					No Change to Report.
<b>Servicing Portfolio Dashboard</b>	Report provides 13 months of total portfolio volume and delinquency data across a number of loan characteristics such as Origination Year, State, Product, etc.					No Change to Report.
<b>Trial Balance Report (LRR03201)</b>	Reconcile loan details closed in the previous month. It has 3 parts with key loan level data. Each part contains specific information loan accounting data, ARM loan data, and static data.					No Change to Report.



## Summary of Fannie Mae's SURF™ Reports

Report	Fannie Mae Current	Actual/Actual A/A	S/S (MRS)	S/A	S/S (Swap MBS)	Fannie Mae After Change
<b>Shortage/Surplus Report</b>	Updated monthly & available on 3 <sup>rd</sup> Business Day. This report allows you to view shortage/surplus summary information for your Actual/Actual, Scheduled/Actual, and Scheduled/Scheduled (MRS) portfolios.	✓				This report will display A/A shortage surplus information only. Report timing to change to BD3+1 (after A/A cash cycle close).
<b>ARM Download</b>	Provides 58 data elements for every ARM loan in your portfolio. The report can assist you in identifying discrepancies between data that exist on your system and Fannie Mae's.					No Change to Download.
<b>Enhanced Download</b>	Allows you to retrieve 27 of the most critical data elements for every loan in your portfolio, enabling you to compare your data to Fannie Mae's.					No Change to Download.
<b>Enhanced MBS Download</b>	Provides a monthly snapshot of your Scheduled/Scheduled MBS Loan portfolio.					No Change to Download.
<b>Enhanced S/S Whole Loans Download</b>	Provides a monthly snapshot of your MRS Scheduled/Scheduled Whole Loan portfolio.					No Change to Download.
<b>Fixed Download</b>	Provides 24 data elements for every fixed-rate mortgage loan in your portfolio.					No Change to Download.
<b>LAR Correction Report – 83</b>	Provides details on all Monthly Payment/Note Rate Changes 83 transactions for the current day that are manually keyed and saved using the Loan					No Change to Report.



Report	Fannie Mae Current	Actual/Actual A/A	S/S (MRS)	S/A	S/S (Swap MBS)	Fannie Mae After Change
	Reporting dialogue box. Download available.					
<b>LAR Correction Report – 96</b>	Provides details on all LAR - 96 transactions for the current day that are manually keyed and saved using the Loan Reporting and LAR Rejects dialogue boxes. Download available					No Change to Report.
<b>MBS 3+ Purchase Advice Report</b>	Provides a list of all MBS-pooled loans that were reclassified as Actual/Actual loans for the selected servicer number, remittance type, and reporting period.					No Change to Report.
<b>Modifications Recap Report</b>	Provides details of all loan modifications that have been automatically processed. Download available.					No Change to Report.
<b>P&amp;I MBS Reimbursement Report</b>	This report details deposits being made to reimburse the servicer for foreclosure removals. If there has been no activity, the system will display that message.					No Change to Report.
<b>PFP Book Download &amp; Report</b>	Provides a list of all PFP loans, including PFP loans reclassified as Actual/Actual during the specified reporting period. Download available.					No Change to Download & Report.



Report	Fannie Mae Current	Actual/Actual A/A	S/S (MRS)	S/A	S/S (Swap MBS)	Fannie Mae After Change
<b>PFP New Issues Download &amp; Report</b>	Provides a list of all loans newly PFP during the specified reporting period. Download available.					No Change to Download & Report.
<b>PFP Reclass Download &amp; Report</b>	Provides a list of all PFP loans reclassified as Actual/Actual during the specified reporting period. Download available.					No Change to Download & Report.
<b>Portfolio Summary Report</b>	Provides summary trial balance information based on your servicer number(s) and remittance type. This report includes the total loan, total unpaid principal balance, and total fixed installment for all loans in a portfolio. The report also provides a hyperlink to the Portfolio Summary Detail Report, which provides balances by remittance type, loan count, mortgage payment, actual unpaid balance (UPB), scheduled UPB, and UPB acquired.					No Change to Report.
<b>Remittance Corrections Report</b>	Lists all Actual/Actual, Scheduled/Actual, and Scheduled/Scheduled MRS loans that reflect a remittance correction for the current processing cycle. Many of these corrections are due to loan modifications.					No Change to Report.

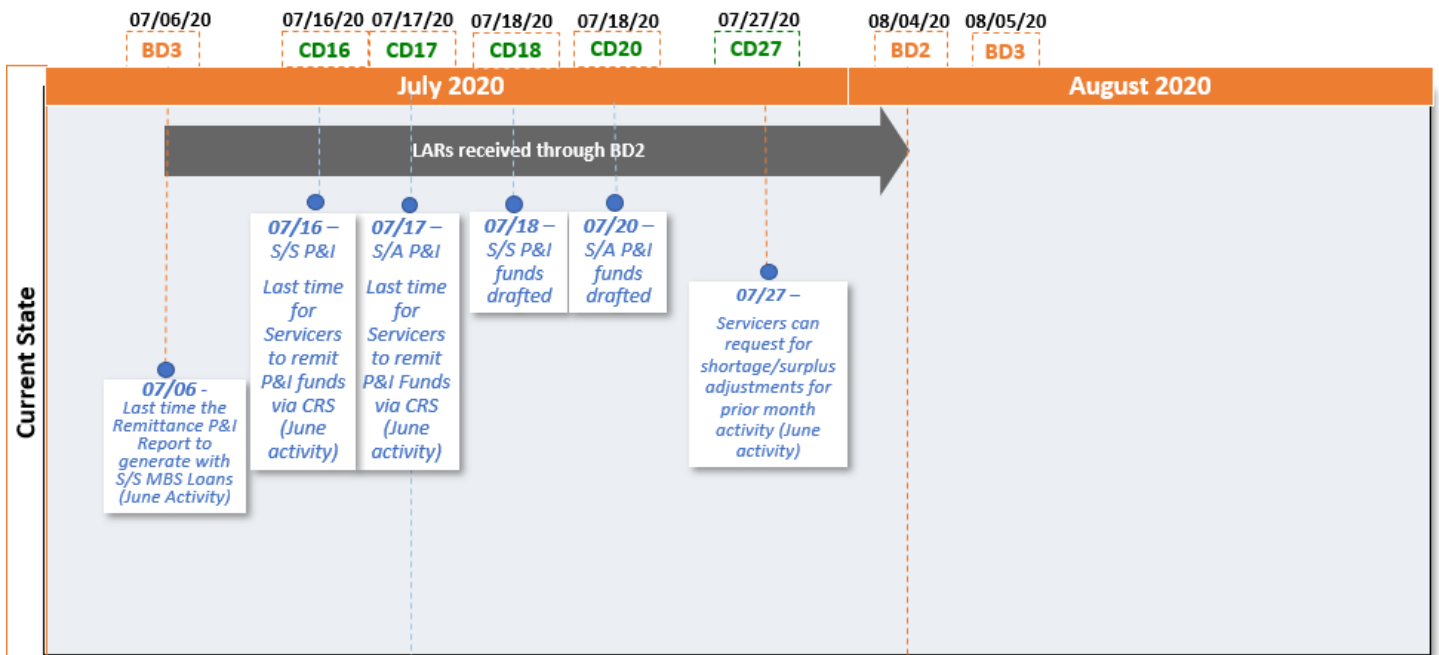




Report	Fannie Mae Current	Actual/Actual A/A	S/S (MRS)	S/A	S/S (Swap MBS)	Fannie Mae After Change
<b>Remittance Detail Report</b>	This report allows servicers to view remittance-credited information for their loan portfolio. Available at the end of the monthly production cycle & 3 months prior.					No Change to Report.

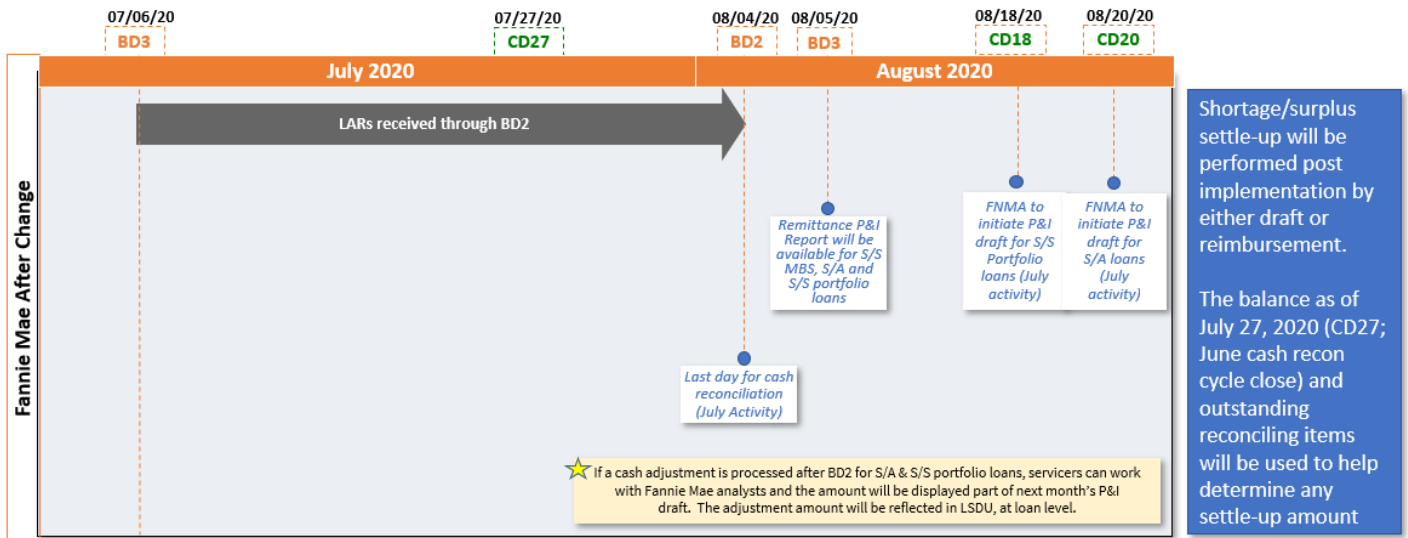
## Fannie Mae Cash Activity Period Timelines

### 1. Fannie Mae Current: Cash Activity Period Timelines for all Remittance Types



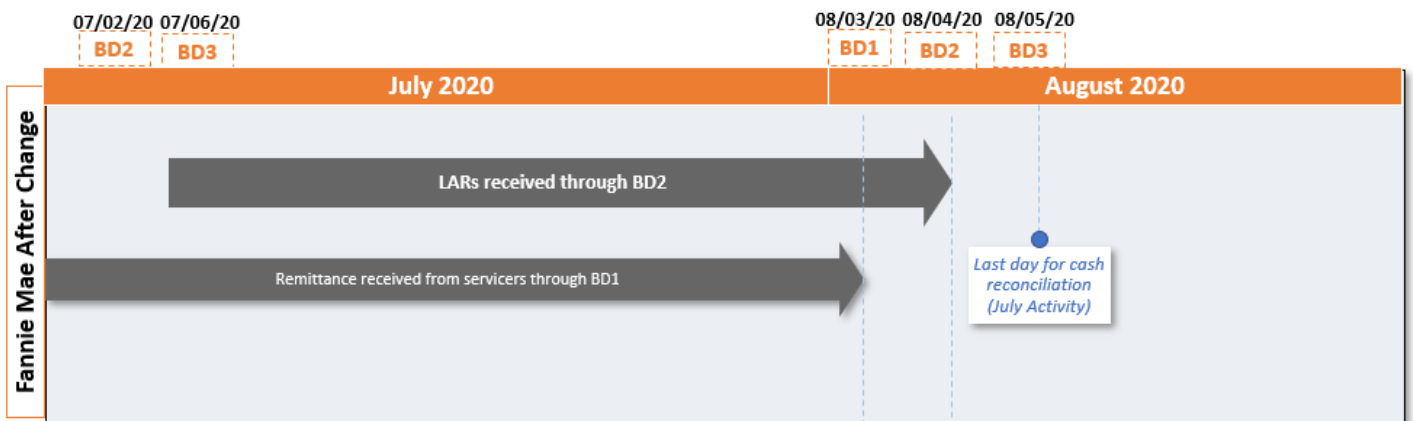


## 2. Fannie Mae After Change: Cash Activity Period Timelines for S/A & S/S Portfolio loans



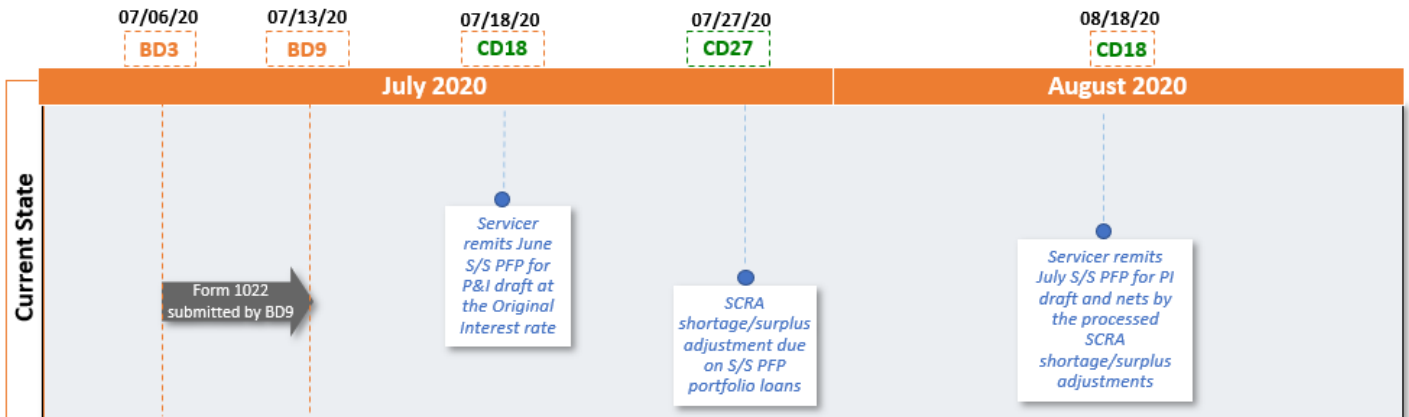
**Note:** Refer to the Customer transition guide for the transition month timelines.

## 3. Fannie Mae After Change: Cash Activity Period Timelines for A/A Portfolio loans

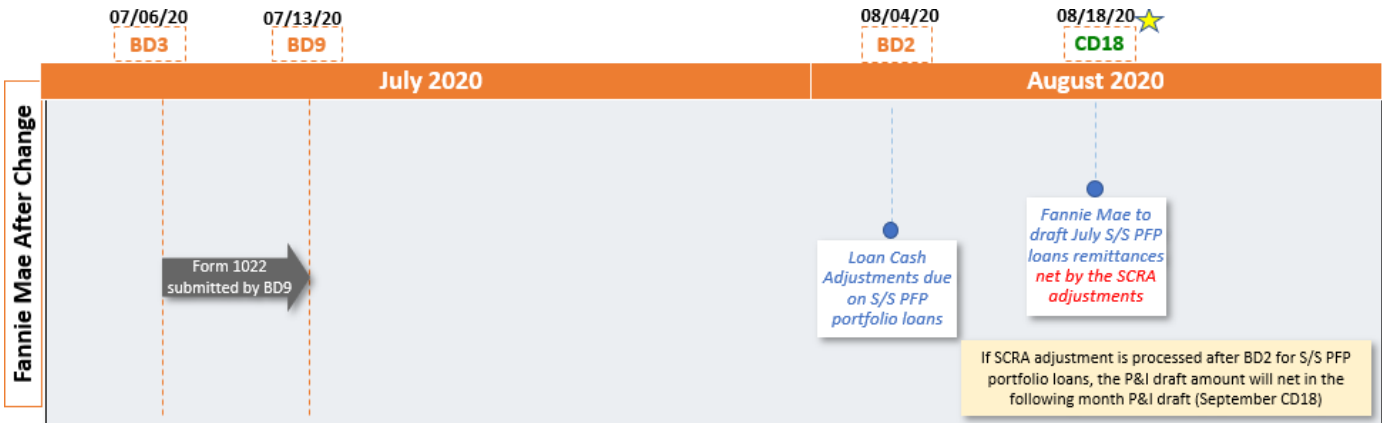




## 4. SCRA Fannie Mae Before Change: Cash Activity Period Timelines for S/S PFP loans

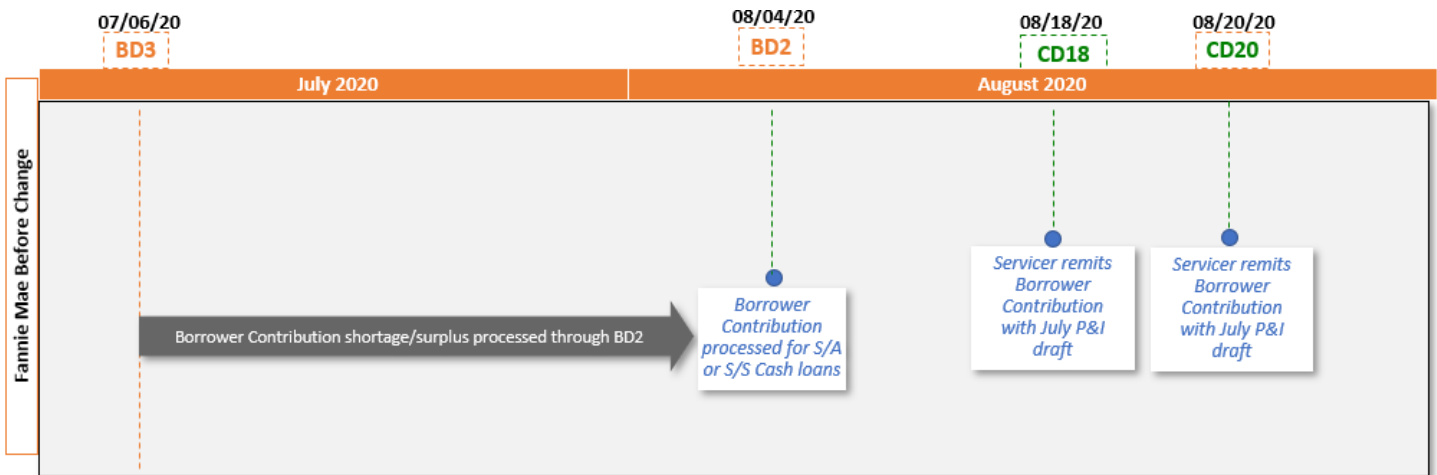


## 5. SCRA Fannie Mae After Change: Cash Activity Period Timelines for S/S PFP loans

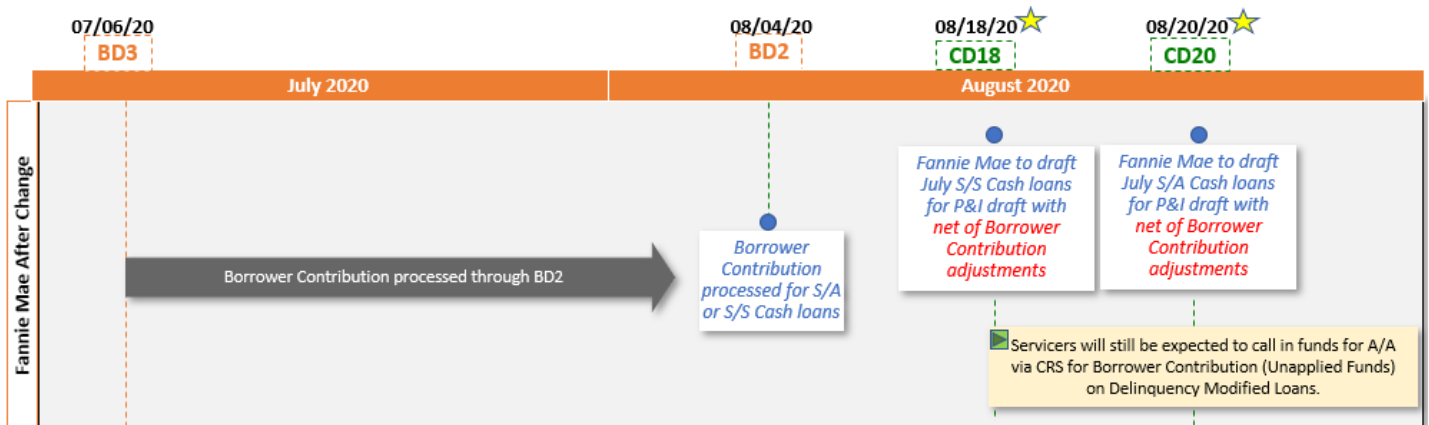




## 6. Borrower Contribution Fannie Mae Before Change: Cash Activity Period Timelines for S/A & S/S Cash loans



## 7. Borrower Contribution Fannie Mae After Change: Cash Activity Period Timelines for S/A & S/S Cash loans





## 8. Remittance Detail Principal & Interest Report example with details for the Interest Due Column

### Remittance Detail P&I Report Before the Change - FM Connect

Servicer Number	Activity Period	Fannie Mae Loan Number	Servicer Loan ID	Pool Number	Scheduled Principal Due	Interest Due	Total Amount Due
123456789	42020	2222222222	8888888	AB1234*	212.50	515.20	727.7

### Remittance Detail P&I Report After the Change - FM Connect

Servicer Number	Activity Period	Fannie Mae Loan Number	Servicer Loan ID	Pool Number	Scheduled Principal Due	Interest Due	Total Amount Due
123456789	42020	2222222222	8888888	AB1234*	212.50	515.20	727.70
100650002	42020	1111111111	7777777		322.19	1600.00	1922.19
100650002	42020	9999999999	4444444		415.13	900.00	1315.13

### Details for the Interest Due Amount

LOAN ATTRIBUTE	AMOUNT	LOAN ATTRIBUTE	AMOUNT
Interest Due	\$1,000.00	Interest Due	\$1,100.00
Unapplied Funds (Borrower Contribution) Adjustment to Interest Due	\$600.00	SCRA Adjustment to Interest Due	(\$200.00)
Total Interest Due	\$1,600.00	Total Interest Due	\$900.00

\*Remittance Detail Principal & Interest Report currently consists of MBS loans only *(New – To include S/A & S/S portfolio loans)*

\*\*Report format will remain the same *(No Change)*

\*\*B2B file content will follow the Remittance Detail Principal & Interest Report after the change *(No Change to file format)*

\*\*\*LSDU to display loan level draft adjustment details *(New)*

## For More Information

Please contact Master Servicing at 1-800-2-FANNIE (Option 1, Option 6) if you have any questions about these changes.