

# Loan Quality Connect Release Notes

## Overview of Enhancements

October 26, 2024

During the **weekend of October 26<sup>th</sup>**, Fannie Mae will implement Loan Quality Connect™ version 7.3. The system enhancements in this release include updates to the loan remedy functionality available, the Notice of Potential Defect process, the resolution queue, and reporting information.



### Just Released

## Notice of Potential Defect

Enhancements have been made to the Notice of Potential Defect process to make it simpler for users to take action on the loan. Users will have the ability to:

- Request a repurchase demand if lenders are unable to resolve the issue.
- Notify Fannie Mae that supporting documents have been uploaded.

## Remedy Status Tab

Several enhancements have been made to the loan review Remedy Status tab to streamline and enhance the remediation process. The Remedy Status tab will now prominently feature Your Options radio buttons that will now provide much of the functionality previously found only in the Take Action drop down menu. The user can choose an action by selecting the appropriate radio button. The radio buttons will eventually replace all the functionality of the Take Action menu on the Remedy Status tab and the Take Action will be phased out. The new Your Option radio buttons will make it simpler for users to:

- Respond to a Notification of Potential Defect (NOPD) and Resolution Requests.
- Request an Appeal, an Impasse, a Repurchase Alternative, or a Management Escalation.
- Provide instructions on the remittance process.
- Concur to Repurchase or Repurchase Alternative.
- Ability to view the Servicer/Sub-Servicer.

It is highly recommended lenders use the new Your Options to take advantage of the streamlined process.

Please see the updated sections of our Loan Quality Connect job aids for further instructional information on these updates.

## Resolution Queue

The following two new columns have been added to the Resolution Queue:

- **RA Available**- indicates whether a repurchase alternative is available on the loan.
- **Date Closed**- indicates the date that the loan review closed in the system.

## Documents Tab

The documents tab will now list the documents in descending chronological order.



# Reporting

A new column and field for current **UPB** has been added to the following two dashboards:

- **Responsible Party Review Results**
- **Seller Review Results**

The current UPB column is visible when a user hovers over the numerical widgets in the following portions of the dashboards:

## Responsible Party Review Results

- Self-Report
- Outstanding Remediation Activity
- Loan Review Defects
- Top 5 Defects

## Seller Review Results

- Review Results for Last 12 Months
- Seller File Review Count
- Seller File Review Completed Reviews for Last 12 Months
- Seller File Review Defects
- Top 5 Defects

# HomeStyle Renovation Email Notifications

Users will now receive email notification when lender action is required for a HomeStyle®Renovation (HSR) loan review.

**Screenshot examples below of these enhancements. For more information about these release notes or the Loan Quality Connect update, lenders may contact their Fannie Mae representative.**

**Notice of Potential Defect process enhancements will make it simpler for users to take action on the loan and communicate with Fannie Mae.**

The screenshot shows a web interface for 'Loan Details' with a breadcrumb 'Resolution Queue > Loan Details' and a 'Loan #' field. A progress bar at the top indicates the status of various steps: 'Loan File Requested' (checked), 'File Under Review' (checked), 'Defect Notice' (warning icon), 'Resolution Request' (empty circle), and 'Close Loan' (empty circle). Below the progress bar is a navigation menu with tabs: 'Remedy Status', 'Summary', 'Status', 'Tasks', 'Documents', 'Comments', 'Loan Notification', 'Defects', and 'Letters'. The 'Defects' tab is active, displaying a notification titled 'Notice of Potential Defect Issued' with a 14-day response deadline (on or before 11/7/2024). Under 'Your Options:', there are two radio buttons: 'Notice of Potential Defect' (selected) and 'I have already uploaded documentation to respond to NOPD'. The selected option includes a sub-option: 'I am unable to resolve the issue(s) cited in the NOPD. I would like to move to the Resolution process', which has a 'Send Resolution Request' button next to it.



The Remedy Status tab now features Your Options radio buttons to respond to Resolution Requests.

Resolution Queue > Loan Details Loan #: [input] Contact Fannie Mae

Loan File Requested File Under Review Defect Notice Resolution Request Close Loan

Remedy Status | Summary | Status | Tasks | Documents | Comments | Loan Notification | Defects | Letters

**Resolution Requested**  
5 days to respond (on or before 10/22/2024)

Your Options:

- Appeal
- Repurchase
- Repurchase Alternative

[Review](#)

The Your Options buttons make it easier to request an Appeal and indicate if documents have already been uploaded.

Resolution Queue > Loan Details Loan #: [input]

Loan File Requested File Under Review Defect Notice Resolution Request

Remedy Status | Summary | Status | Tasks | Documents | Comments | Loan Notification | Defects | Letters

**Resolution Requested**  
-3 days to respond (on or before 10/15/2024)

Your Options:

- Appeal
  - I have already uploaded documentation to Appeal
  -
- Repurchase
- Request Repurchase Alternative

The Your Options buttons make it easier to select to concur to repurchase. The Your Options buttons will now make it easier to view the Servicer/Sub-Servicer during the resolution process.

Resolution Queue > Loan Details Loan #: [input]

Loan File Requested File Under Review Defect Notice Resolution Request

Remedy Status | Summary | Status | Tasks | Documents | Comments | Loan Notification | Defects | Letters

**Resolution Requested - Reaffirmed**  
7 days to respond (on or before 10/25/2024)

Your Options:

- Appeal
- Repurchase
  - 
  - 
  - Request Repurchase Alternative

**Servicer**  
ABC Mortgage  
12 Street Name, Bldg 1, Suite 100  
Any City, GA 12345

**Sub-Servicer**  
123 Mortgage  
456 Street Name, City, TX 45670



## The Your Options buttons make it easier to select to concur to a repurchase alternative.

Exception Queue > Loan Details Loan # 3859000445 Contact Fannie Mae

Loan File Requested | File Under Review | Defect Notice | Resolution Request | Close Loan

Remedy Status | Summary | Status | Tasks | Documents | Comments | Loan Notification | Defects | Letters

### Resolution Requested

60 days to respond (on or before 10/26/2024) Take Action

Your Options:

- Appeal
- Repurchase
- Repurchase Alternative

FeeAndRepurchaseAgreementTest

FeeAndIndemnificationTest

Request Late Delivery

Review

Comment

## The Your Options buttons make it easier to request a Repurchase Alternative.

Your Options:

- Appeal
- Repurchase
- Request Repurchase Alternative

## The Your Options buttons make it easier to request an Impasse.

Your Options:

- Appeal
- Repurchase
- Request Repurchase Alternative
- Request Impasse

I have already uploaded documentation to Request Impasse

Request Management Escalation



### The Your Options buttons make it easier to request a Management Escalation.

**Your Options:**

- Appeal
- Repurchase
- Request Repurchase Alternative
- Request Impasse
- Request Management Escalation

Request Management Escalation

### The Resolution Queue now features two new columns: RA Available and Date Closed.

**Resolution Queue**

Total Population **310** Total Open Tasks **201** Outside SLA **94**

3  
Comments to Review

72  
Notice of Potential Defect Issued

104  
Initial Resolution Requested

20  
Re-affirmed

3  
Impasse

2  
Management Escalation

0  
Independent Dispute Resolution

42  
Concur Awaiting Remittance

23  
Concur to RA

8  
RA Available

89  
Fannie Mae Action Required

4  
Closed

Search View Export to Excel Concur To Repurchase New Columns 1 to 20 of 310

Number	Seller No	Seller Name	Servicer Loan Number	Servicer No	Servicer Name	Borrower Last Name	Review Type	Property Address	RA Available	Date Closed
	213850008	Rocket Mortgage, LLC	3394190567	213850008	Rocket Mortgage, LLC	Clifford	DPPR	9 BELL RD PLYMOUTH NH 03264	No	
	260430009	PMC Bancorp	3494618650	213850008	Rocket Mortgage, LLC	BESHARATPOUR	DPPR	1344-1346 B STREET HAYWARD CA 94541	No	
	213850008	Rocket Mortgage, LLC	3394837495	213850008	Rocket Mortgage, LLC	Hunnes	DPPR	8346 HAWKSHEAD SE # 47 BYRON CENTER MI 49315	No	



The new Current UPB value is now visible on the Responsible Party Review Results report and the Seller Review Results report by hovering on any of the widgets shown below in the highlighted red boxes.

**Responsible Party Review Results**

Seller: All | Review Type: --select-- | Report Type: All Loans

Loan Selection Date: From: m/d/yyyy To: m/d/yyyy | Loan Acquisition Date: From: m/d/yyyy To: m/d/yyyy

**Self Report**

- Total Pending Submissions: 1
- Submitted: 0
- Additional Info Needed: 0
- Proced: 0
- No Action At This Time: 0

**Outstanding Remediation Activity**

53 Notice of Potential Defect | 83 Resolution Request | 48 Lender Concur | 17 Appeal 1 | 1 Appeal 2 | 16 Reaffirmed

7 Impasse Requested | 2 Impasse Reaffirmed | 6 Management Escalation Requested | 3 Management Escalation Reaffirmed | 0 Independent Dispute Resolution

Total: 236

20 Total Cases To RA | 38 Total RA Available

**Loan Review Defects**

- 247 Outstanding Judgments
- 25 Outstanding Loans
- 15 Income Not Documented - Base Income
- 8 Comparable Adjustments
- 7 Appraisal Adjustments Not Correctly Applied
- 6 Interested Party Contributions Exceeded Percentage Allowed
- 5 Interested Party Contributions Exceeded Borrower's Costs
- 5 Asset Analysis/Calculations - Misinformation
- 5 Route to DVC
- 5 Test for FIB
- 3 Title/NonComplianceDefect
- 3 Inadequate Comparable Adjustments
- 2 Maximum Points and Fees Exceeded for ARM Covered Loans
- 2 Title/NonCompliance/SLDefect
- 2 Undisclosed Subordinate Financing
- 2 Debt Not Paid Off
- 1 Failure to Submit Notice of First Lien Foreclosure Condition
- 1 Loan File Missing Test
- 1 Minimum Contribution from Borrower's Debt Funds Not Met
- 1 Mortgage Insurance Cancelled or Denied

**Top 5 Defects**

Investor

- 77 Outstanding Judgments
- 7 Outstanding Loans
- 3 Comparable Adjustments
- 2 Asset Analysis/Calculations - Misinformation
- 2 Interested Party Contributions Exceeded Percentage Allowed

2nd Home

- 9 Outstanding Judgments
- 2 Outstanding Loans
- 2 Comparable Adjustments
- 1 Appraisal Adjustments Not Correctly Applied
- 1 Income Not Documented - Base Income

Priority

- 161 Outstanding Judgments
- 16 Outstanding Loans
- 15 Income Not Documented - Base Income
- 6 Appraisal Adjustments Not Correctly Applied
- 5 Route to DVC

Findings: PNL, Significant Defect



### Seller File Review Results

Search Alerts

Seller: All Responsible Party: All Review Type: All Loan Relief: 1 Self Reports: All

Loan Acquisition Date: Loan Selection Date: Review Completion Date: Initial Notification Date: 1

Export to Excel

#### Review Results for Last 12 Months

Significant Defect PAL Defect Finding Defect No Defect

Month	Significant Defect	PAL Defect	Finding Defect	No Defect
Nov 23	0	0	0	0
Dec 23	0	0	0	0
Jan 24	0	0	0	0
Feb 24	0	0	0	0
Mar 24	0	0	0	0
Apr 24	0	0	0	0
May 24	0	0	0	0
Jun 24	0	0	0	0
Jul 24	0	0	0	0
Aug 24	9	0	0	0
Sep 24	14	0	0	0
Oct 24	0	0	0	0

Total All Months Displayed: 19

#### Seller File Review Count

Seller File Review Selections for Last 12 Months

Month	Full File Review	Component Review
Nov 23	0	0
Dec 23	0	0
Jan 24	0	0
Feb 24	0	0
Mar 24	0	0
Apr 24	0	0
May 24	0	0
Jun 24	0	0
Jul 24	0	0
Aug 24	107	296
Sep 24	17	20
Oct 24	11	22

Total All Months Displayed: 297

#### Seller File Review Completed Reviews for Last 12 Months

Month	Full File Review	Component Review
Nov 23	0	0
Dec 23	0	0
Jan 24	0	0
Feb 24	0	0
Mar 24	0	0
Apr 24	0	0
May 24	0	0
Jun 24	0	0
Jul 24	0	0
Aug 24	3	6
Sep 24	10	9
Oct 24	0	0

Total All Months Displayed: 19

#### Seller File Review Defects

Export to Excel Defect Category Defect Sub Category Defect Name

- 10 Income Not Documented - Base Income
- 7 Appraisal Adjustments Not Correctly Applied
- 3 Comparable Adjustments
- 3 Inadequate Comparable Adjustments
- 3 Test for FIB
- 3 TestNonComplianceDefect
- 2 TestNonComplianceOLDefect
- 1 Loan File Missing test
- 1 Minimum Contribution from Borrower's Own Funds Not Met
- 1 Outstanding Judgment(s)

Findings PAL Significant Defect

#### Top 5 Defects

Occupancy Channel Loan Purpose

- 2nd Home
  - 4 Outstanding Judgment(s)
  - 1 Outstanding Liens
  - 1 Appraisal Adjustments Not Correctly Applied
  - 1 Income Not Documented - Base Income
- Investor
  - 1 Comparable Adjustments
  - 1 Outstanding Judgment(s)



Self Report

Outstanding Remediation Activity

1

53

81

51

17

1

17

Export to Excel

1 to 10 of 53

Days Since Selection	Days Since IRR	Days Since Latest Lett	Defect Name	Current Appeal Count	Review Status	Review Type	UPB
		5	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	8267.08
		13	General Appraisal Re...	0	Notice of Potential De...	DPPR	44410.97
		5	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	212553.02
		5	General Appraisal Re...	0	Notice of Potential De...	DPPR	56556.83
		13	General Appraisal Re...	0	Notice of Potential De...	DPPR	58850.16
		57	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	65720.04
		5	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	244429.59
		4	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	214524.54
		4	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	68562.54
		57	Outstanding Judgmen...	0	Notice of Potential De...	DPPR	23189.25