Loan Quality Connect Release Notes

Overview of Enhancements

October 26, 2024

During the **weekend of October 26th**, 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.



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

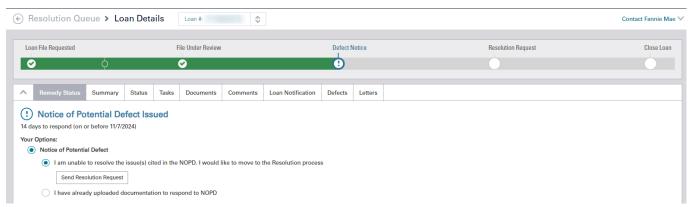
- Review Results for Last 12 Months
- Seller File Review Count
- Seller File Review Completed Reviews for Last 12 Months
- Seller File Review Defects
- Top 5 Defects

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

← Resolution Queue ➤ Loan	Details Loan #:			Contact Fannie Mae 🗸
Loan File Requested	File Under Review	Defect Notice	Resolution Request	Close Loan
		O	θ	
Remedy Status Summary St Resolution Requested	tatus Tasks Documents Comments	Loan Notification Defects Letters		
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 Qu	eue > Lo	an Deta	ails	Loan #:	\Diamond					
Loan File Requested				ile Under Review			Defect N	lation	Resolution Request	
				III Onder Keview			Derect	vouce		
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Remedy Status	Summary	Status	Tasks	Documents	Comments	Loan Notification	Defects	Letters		
(!) Resolution	Requested	ł				A				
-3 days to respond (on a										
Your Options:										
	dy uploaded d	ocumentati	on to App	oeal						
Submit Appeal										
Repurchase										
Request Repurch	ase Alternative	е								

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.

€ Re	esolution Qu	eue > Lo	an Deta	ails	Loan #:	\$							
Loai	n File Requested			F	ile Under Review			Defect I	Notice		Resolution R	equest	
0)	þ			⊘			Ø			9	¢	0
^		Summary	Status	Tasks	Documents	Comments	Loan Notification	Defects	Letters				
7 day	Resolution F s to respond (on or Options: Appeal Repurchase			firmed									
	I Need Remi	ttance Amoun	t		A 1	ervicer BC Mortgage 2 Street Name, I ny City, GA 1234	Bldg 1, Suite 100 15						
C	Concur to Re T Request Reput		native		13	ub-Servicer — 23 Mortgage 56 Street Name,	City, TX 45670						



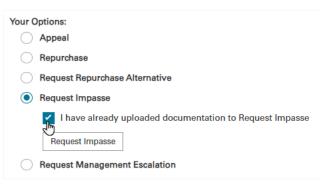
The Your Options buttons make it easier to select to concur to a repurchase alternative.

Exception Queue > Loan Details Loan #: 3859000445 ♦	Contact Fannie Mae 🗸
Loan File Requested File Under Review Defect Notice Resolution Request	Close Loan
Nemedy (Status) Summary Status Tasks Documents Loan Notification Defects Letters Commody Status Resolution Requested Example of the point of t	Take Action 🗸
Appeal Appeal Repurchase Repurchase Alternative	
FeeAndRepurchaseAgreementTest Concur	
Review Comment	

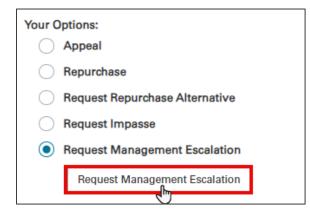
The Your Options buttons make it easier to request a Repurchase Alternative.



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



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



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

Reso	lution Qu	eue									
Total P	opulation 🤇	Total Open Ta	sks 201 Outside	SLA 94							
Comr	3 eents to Review	72 Notice of Potential Defect Issued	104 2 Initial Resolution Requested		3 Impasse 2 Management Escalation	0 Independent Dispute Resolution	42 Concur Awaiting Remittance	23 Concur to RA	8 RA Available	89 annie Mae Action Required	4 Closed
Q, S	Q. Search ③ View C+ Export to Excel ③ ConcurTo Repurchase									310 🕨 🕨	
mber	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 N	IH 03264	No	
	260430009	PMC Bancorp	3494618650	213850008	Rocket Mortgage, LLC	BESHARATPOUR	DPPR	1344-1346 B STREET HA	YWARD CA 94541	No	
	213850008	Rocket Mortgage, LLC	3394837495	213850008	Rocket Mortgage, LLC	Hunnes	DPPR	8346 HAWKSHEAD SE #	47 BYRON CENTER MI 49315	5 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.

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Responsible Party Review Results						
Seller Review Type Re	portType					
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			b	slow to view	loan level UPE	3
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Proceed No Action At This Time			Total Concur To BA	Total BA Available		
			_			
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25 Outstanding Leebo			Astanding Liented			
15 Income Not Documented - Ease Income			inpunible Adjustments			
8 Comparable Adjustments		3	or Araban Catalation - N			
7 Approval Adjustments Nex Correctly Applied		2				
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1 Minimum Contribution from Bornower's Dwit Funds Not Met						
Martgage Insurance Canonied or Denied						
Distant D.N. Dissipatibility						

Q Search 🗘 Alerts 🧭
Seller File Review Results
Seller Responsible Party Review Type Loan Relief Self Reports All V All V All V All V
Loan Acquisition Date Loan Selection Date Review Completion Date Initial Notification Date 0
Image: Second
Review Results for Last 12 Months 0
Significant Defect 📕 PAL Defect 📕 Rinding Defect 📕 No Defect
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Noi 23 Doi 23 Jui 24 Noi 24 Mai 24 Api 24 Mai 24 Jui 24 Jui 24 Api 24 Api 24 Oct 24
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Seller File Review Count
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Total All Months Displayed 297
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Total All Months Displayed 19
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7 Appraisal Adjustments Not Correctly Applied
Conservable Advertisante
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3 InstNonComplianceDelect
2 TestNonComplianceLOLDefect
1 Loan File Missing test
1 Minimum Contribution from Borrower's Dwn Funds Not Met
1 Dutstanding Judgment(s)
Findings PAL Significant Defect
Top 5 Defects Channel Lean Purpose
2nd Home Outstanding Judgment(s)
4 Determine Links
Appraisal Adjustments Not Correctly Applied
1 Income Not Documented - Base Income
Investor Conservice Advirtments
Comparable Adjustments
Outstanding Judgment(s)

elf Report			Outstanding Reme	diation Activity	51 1	7	1 17
C+ Export to Excel	Days Since IRR	Days Since Latest Lette	Defect Name	Current Appeal Count	Review Status		1 to 10 of 53
		5	Outstanding Judgmen	0	Notice of Potential De	DPPR	8267.08 UPB
		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
4							