

Single Family Master Servicing Changes (LL-2021-12)

Fannie Mae Transition Guide

April 13, 2022



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Document Change History

Document Change History		
Published Date	Modified Section	Description
4/13/2022	All Sections	Initial document publication



Introduction

As announced in LL-2021-12, with a goal to further simplify and streamline servicer reporting, Fannie Mae is introducing changes in a phased approach.

- Guaranty Fee Relief after Four Months Delinquency
- Streamline Investor reporting with LSDU Self-Serve Capabilities to retire SURF™
- Cash Simplification Changes
 - Reporting Due Date Changes for Summary Reporting Loans
 - LAR 96 Format Expansion
 - P&I Remittance for Summary Reporting A/A Mortgage Loans

This transition guide document provides servicers with information on the key milestones and activities when each change becomes effective.

Guaranty Fee Relief after Four Months Delinquency

This section of the Customer Transition Guide provides servicers with additional information on the key milestones and activities required to adopt the guaranty fee relief after four months delinquency change.

- **Pre-Transition Preparation Period:** Servicers must complete these activities before the effective date of the changes to prepare for implementation.
- **Transition Month (TM) (June 2022 Remittances for the May Mortgage Loan Activity Reporting):** Information on activities in the month of transition when the changes become effective.
- **Post Transition Period:** Servicers must complete these activities in the months following the transition month.

Pre-Transition Preparation Period

The implementation checklist on the following page outlines the activities of the pre-transition preparation period. Servicers are encouraged to use the checklist to ensure readiness to adopt the guaranty fee relief after four months delinquency change.



IMPLEMENTATION CHECKLIST

(Guaranty Fee Relief after 4 Months Delinquency)

Please complete the following sections: As of Date; Completed by Name and Title; Customer Confirmed Date; Current Status; Comments (if applicable)

Servicer Name:		Servicer 5-Digit SSN:		
As of Date:		Completed by:	Name:	
			Title:	
Key Milestone	Customer Confirmed Date <i>(Enter Date Planned to Complete)</i>	Current Status <i>(Select: On Track, Delayed, Significant Issues, Completed, Not Started or Not Applicable)</i>	Comments <i>(Please include any additional details regarding your current status)</i>	
Servicer Engagement				
Attend Training Webinar(s)				
Servicer Analysis				
Review Fannie Mae Process Requirements				
Develop Internal Communications Plan				
Analyze Business Process Impacts				
Analyze Technology Impacts				
Define Servicer Requirements				
Servicer Development (if applicable)				
Develop Technology Changes: Guaranty Fee Relief after 4 Months Delinquency				
Create Servicer Test Plan: Guaranty Fee Relief after 4 Months Delinquency				
Servicer Testing (if applicable)				
Perform Functional Testing: Guaranty Fee Relief after 4 Months Delinquency				
Perform Integration Testing: Guaranty Fee Relief after 4 Months Delinquency				



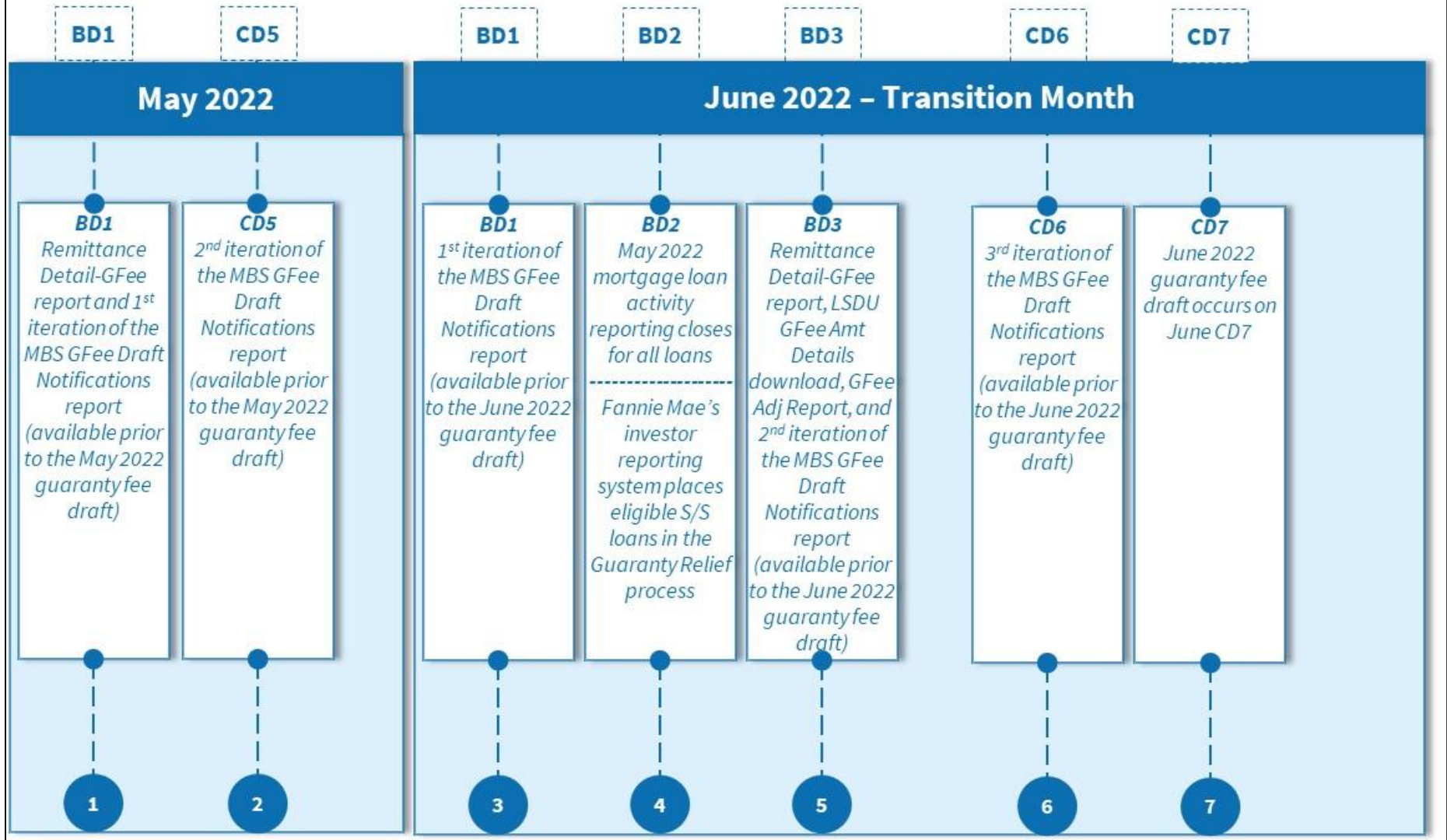
Fannie Mae Integration Testing			
Review Fannie Mae Integration Test Plan			
Review Fannie Mae Recommended Integration Test Scenarios			
Participate in Fannie Mae May 2022 Integration Testing: Guaranty Fee Relief after 4 Months Delinquency			
Participate in Fannie Mae June 2022 Integration Testing: Guaranty Fee Relief after 4 Months Delinquency			
Operational Readiness			
Develop Internal Training Materials: Guaranty Fee Relief after 4 Months Delinquency			
Document Policy and Procedure Updates: Guaranty Fee Relief after 4 Months Delinquency			
Document Technology/Process Controls Updates to ensure risks are mitigated: Guaranty Fee Relief after 4 Months Delinquency			
Complete Internal Go Live Assessment: Guaranty Fee Relief after 4 Months Delinquency			

Transition Month (June 2022 Remittances for the May Mortgage Loan Activity Reporting)

The transition month (TM) is June 2022 when guaranty fee remittances based on the May 2022 mortgage loan activity reporting are due. The diagram and table on the following pages outline key milestones in the transition month, June 2022, for guaranty fee relief after four months delinquency.



Fannie Mae Transition Month Timeline for Guaranty Fee after Four Months Delinquency





Guaranty Fee Relief after Four Months Delinquency

Key Milestone		May Remittance Month (TM – 1): For April Mortgage Loan Activity Reporting	June Remittance Month (TM): For May Mortgage Loan Activity Reporting
1	Monday 5/2/2022 (May BD1) <ul style="list-style-type: none"> • Remittance Detail – GFee Report • MBS GFee Draft Notifications Report (1st iteration) 	<p><i>This will be the last time</i> the Remittance Detail – Guaranty Fee Report will be available on the first business day of the month.</p> <p><i>This will be the last time</i> the first iteration of the MBS Guaranty Fee Draft Notifications Report that is produced on the first business day of the month will contain loan level pre-draft notification details for monthly guaranty fee amounts to be drafted on Single Family S/S MBS mortgage loans.</p>	
2	Thursday 5/5/2022 (day before May GFee draft on CD6*) <ul style="list-style-type: none"> • MBS GFee Draft Notifications Report (2nd iteration) <p><i>*Note: Because May 7, 2022, is a Saturday (weekend), the draft occurs on the preceding business day</i></p>	The second iteration of the MBS Guaranty Fee Draft Notifications Report is available on Fannie Mae Connect prior to the May 2022 guaranty fee draft.	



Guaranty Fee Relief after Four Months Delinquency

Key Milestone		May Remittance Month (TM - 1): For April Mortgage Loan Activity Reporting	June Remittance Month (TM): For May Mortgage Loan Activity Reporting
3	Wednesday 6/1/2022 (June BD1) <ul style="list-style-type: none">• MBS GFee Draft Notifications Report (1st iteration)		<p><i>For the first time</i>, the first iteration of the MBS Guaranty Fee Draft Notifications Report that is produced on the first business day of the month <i>will not contain</i> loan level pre-draft notification details for monthly guaranty fee amounts to be drafted on Single Family S/S MBS loans.</p> <p>NOTE: <i>A second iteration of the report will be available on the third business day of the month and will include loan level pre-draft notification details for monthly guaranty fee amounts to be drafted on Single Family S/S MBS loans.</i></p>
4	Thursday 6/2/2022 (June BD2) <ul style="list-style-type: none">• May 2022 mortgage loan activity reporting closes for all loans		<p><i>For the first time</i>, Fannie Mae will place all eligible S/S remittance type mortgage loans that are four or more months delinquent in the Guaranty Fee Relief process and reflect May 1, 2022, as the Loan Guaranty Fee Relief Activity Start Date, indicating that the loans have entered the Guaranty Fee Relief process.</p>



Guaranty Fee Relief after Four Months Delinquency

Key Milestone	May Remittance Month (TM - 1): For April Mortgage Loan Activity Reporting	June Remittance Month (TM): For May Mortgage Loan Activity Reporting
<p>5 Friday 6/3/2022** (June BD3)</p> <ul style="list-style-type: none"> • Remittance Detail – GFee Report • LSDU Cash Position – GFee Draft Amount Details Download (New) • GFee Adjustment Report (New) • MBS GFee Draft Notifications Report (2nd iteration) <p><i>*Note: Due to the transition, Fannie Mae end of cycle reports will be available by 11 a.m. eastern time on June 3, 2022</i></p>		<p>Servicers will have access to the Remittance Detail – Guaranty Fee Report with loan level details for guaranty fee remittances.</p> <p><i>For the first time</i>, the Remittance Detail – Guaranty Fee Report will be available on the third business day in Fannie Mae Connect and via B2B. This report will display guaranty fee amounts as 0 for eligible S/S remittance type loans in the Guaranty Fee Relief process.</p> <p>Fannie Mae will introduce a new Cash Position – Guaranty Fee Draft Amount Details Download in LSDU.</p> <p><i>For the first time</i>, servicers will have access to the new Guaranty Fee Draft Amount Details download that provides a detailed breakdown of various attributes encompassing the guaranty fee adjustment amount provided in LSDU’s Cash Position Summary.</p> <p>Fannie Mae will introduce a new Guaranty Fee Adjustment Report that will be available via B2B.</p> <p><i>For the first time</i>, servicers will have access to the new Guaranty Fee Adjustment Report via B2B. This new report will provide guaranty fee adjustment details for S/S remittance type mortgage loans.</p> <p>Servicers will have access to the second iteration of the MBS Guaranty Fee Draft Notifications Report on Fannie Mae Connect.</p> <p>The second iteration of the MBS Guaranty Fee Draft Notifications Report will include loan level pre-draft notification details for monthly guaranty fee amounts to be drafted on Single Family S/S MBS loans.. The second iteration of the report will be available on the third business day in Fannie Mae Connect and will reflect the guaranty fee amount to be drafted at the 9-digit seller/servicer number level.</p>



Guaranty Fee Relief after Four Months Delinquency		
Key Milestone	May Remittance Month (TM - 1): For April Mortgage Loan Activity Reporting	June Remittance Month (TM): For May Mortgage Loan Activity Reporting
6 Monday 6/6/2022 (June CD6) • MBS GFee Draft Notifications Report (3 rd iteration)		<p>Servicers will have access to the third iteration of the MBS Guaranty Fee Draft Notifications Report on Fannie Mae Connect.</p> <p>The third iteration of the MBS Guaranty Fee Draft Notifications Report will include the draft notification section with guaranty fee amounts to be drafted at the summary level for Single Family S/S MBS loans. The draft notification section will be available on the sixth calendar day in Fannie Mae Connect and will reflect the guaranty fee amount to be drafted at the 9-digit seller/servicer number level.</p>
7 Tuesday 6/7/2022 (June CD7) • June GFee Draft based on May mortgage loan activity reporting		Fannie Mae drafts guaranty fee for S/S MBS loans based on May 2022 mortgage loan activity reporting.

Post Transition Period (Post Implementation Monitoring)

From June through September 2022, Fannie Mae will employ rapid response paths to address production business transaction and technology issues associated with the Guaranty Fee Relief after Four Months Delinquency change after it is implemented in production. In the event a servicer encounters reconciliation issues with the amounts shown on the Remittance Details – Guaranty Fee Report available on the third business day (e.g., draft amount incorrect/possible over or under remittance), the servicer should:

- Submit a case to the Master Servicing mailbox with the subject “Urgent – Research GFee Draft Amount”; and
- Submit back-up documentation, such as transaction history, spreadsheet calculation, etc. to support the research request.

The research request will be routed to a rapid response queue. Fannie Mae will work with servicers to resolve issues.

Streamline Investor Reporting with LSDU Self-serve Capabilities – Retire SURF™, Reporting Due Date Changes for Summary Reporting Loans, and LAR 96 Format Expansion

Additional details coming soon.



P&I Remittance for Summary Reporting A/A Mortgage Loans

Additional details coming soon.

Appendix A: Summary of SURF Functionality Retirement

Additional details coming soon.