

## Resubmitting a Modification Case that was Auto Cancelled Due to its Aged Workout Effective Date

When an active case for a Flex modification has a workout effective date that is 45 days or greater than the current date (“aged workout effective date”) and has not yet been closed, Fannie Mae’s servicing solutions system auto cancels the case. This action ensures aged cases do not remain active.

Follow the steps below to resubmit and close an auto cancelled modification case. These actions **must be completed within five calendar days, from the case submission date, otherwise the case will be auto cancelled again.**

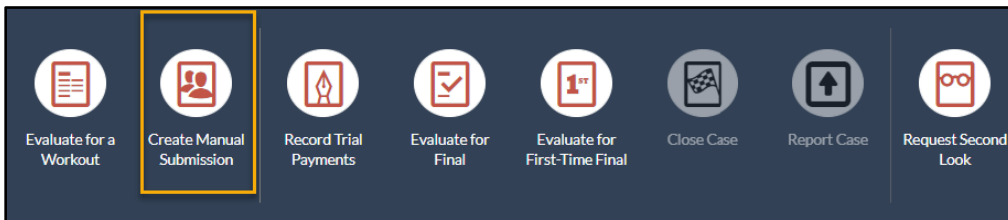
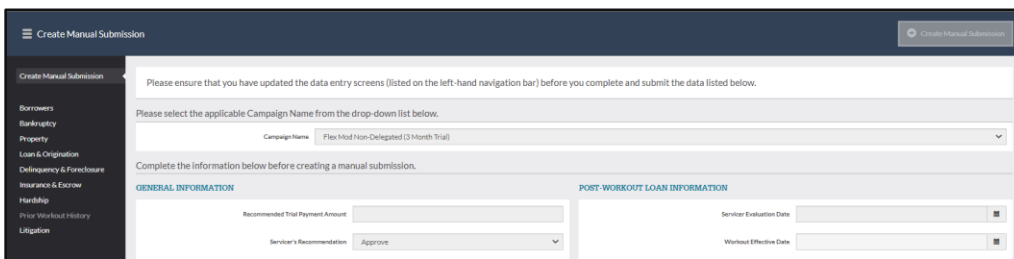
1. Confirm SMDU, LSDU and servicer’s servicing system all correctly reflect the loan’s Unpaid Principal Balance (UPB) and Last Paid Installment Date (LPI Date) after all the trial payments were applied. This information must be correct as it is used to calculate the terms of the final modification.

On the SMDU User Interface (UI), the UPB and LPI Date are displayed on the Loan Landing page (per the example below).



LOAN OVERVIEW			
Loan Mortgage Type	Conventional	Inline Service Number (ISN)	
Loan Product Type	PMI	Loan Type	First Lien
Loan Total UPB Reported to Fannie Mae	\$125,576.33	Reserve Type	-
Reported Last Paid Installment Date	06/02/2023	Foreclosure Risk	Fannie-Not Risk

2. Use SMDU to manually submit the final modification terms to Fannie Mae for review and approval.
  - If using the SMDU UI, use the Create Manual Submission action and select the applicable non-delegated Campaign Name, per the example screen shots below.
  - Refer to the “Create Manual Submission” section of the [SMDU UI Loss Mitigation User Guide](#) for detailed instructions.

The image shows the 'Create Manual Submission' form. It includes a sidebar with navigation options like Borrowers, Bankruptcy, Property, Loan & Origination, etc. The main form area contains instructions and input fields. A dropdown menu for 'Campaign Name' is set to 'Flex Mod Non-Delegated (3 Month Trial)'. There are sections for 'GENERAL INFORMATION' and 'POST-WORKOUT LOAN INFORMATION' with various input fields for amounts, dates, and recommendations.

3. After the case is successfully submitted to Fannie Mae, the case status moves into “Awaiting Review.”



4. Send an email to Fannie Mae at [loss\\_mitigation@fanniemae.com](mailto:loss_mitigation@fanniemae.com) indicating the aged case has been re-submitted to them and requires their expedited review.
  - Include in the email subject line: “Aged Modification Case” and the respective Fannie Mae loan number.
5. Once the case has been reviewed and approved by Fannie Mae:
  - Email is sent to the servicer point-of-contact with the approved final modification terms; and
  - Case status moves to “Approved for Trial.”
6. The Fannie Mae approved final modification terms should be used to create the Loan Modification Agreement that is signed by the borrower.
  - **Important Note:** The trial payment amount in the latest Fannie Mae approval letter may not match the trial period payment amount that was originally approved by Fannie Mae prior to the auto cancellation. When recording the trial payments in SMDU, use the amount of the **original** trial payment.
7. If upon review of the Fannie Mae approval letter there is information that must be corrected prior to creating the Loan Modification Agreement, follow steps A, B and C below. Otherwise, proceed to Step 8.
  - A. Use the Fannie Mae “Mod Template” to provide the update(s) and email it to Fannie Mae at [loss\\_mitigation@fanniemae.com](mailto:loss_mitigation@fanniemae.com). To request the “Mod Template,” contact Fannie Mae Loss Mitigation at [loss\\_mitigation@fanniemae.com](mailto:loss_mitigation@fanniemae.com).

Mod Template	
FNMA Loan#	
LPI Date	
Loan Type (Fixed or Step)	Fixed
Rate(s)	
Modified Monthly Term	
Maturity Date	
Modified P&I Payment	
Monthly Escrow Payment	
Modified Trial (PITI) Payment	\$0.00
Modified Payment Effective Date	
3179 (Loan Modification Agreement) Received	
Rate Lock Date	
Officer Signature Date	
<b>**Please note in order to close a case "The Servicer Attestation" and "Successful Completion of the Trial Period Attestation" must be "YES" and the Borrower Trial Execution Date must be completed as these fields can only be modified by the Servicer.**</b>	
<b>Pre-Mod UPB</b>	
Last Gross UPB Reported to LASER	
(-)Principal Received Not Yet on LASER	
(+)Principal Owed Not Yet on LASER	
<b>Current UPB (Before Capitalization)</b>	<b>\$0.00</b>
<b>Capitalized Interest</b>	
Delinquent Interest	
(-)Contributions to the Delq Interest	
<b>Total Capitalized Delinquent Interest</b>	<b>\$0.00</b>
<b>Capitalized Advances</b>	
Attorney Fees	
Negative Escrow Balance	
Other Fees	
(-)Contributions to Cap Adv	
<b>Total Capitalized Advances</b>	<b>\$0.00</b>
<b>Total Capitalized Amount</b>	<b>\$0.00</b>
<b>Forbearance</b>	
Requested Principal Forbearance/Deferment Amount	\$0.00
<b>Post-Mod UPB</b>	
<b>New Modified UPB</b>	<b>\$0.00</b>
<b>**Please note ancillary fees are not reimbursable to the lender.**</b>	

- B. A Fannie Mae Loss Mitigation representative will update Fannie Mae’s system of record with the servicer-provided information and any changes made by Fannie Mae, when applicable. Once that action is complete, a confirmation email is sent to the servicer point-of-contact.
- C. If no additional changes, proceed to step 8.



8. Use SMDU to record all the trial payments.

- Servicers using the SMDU UI should refer to the “Record Trial Payments” section within the [SMDU UI Loss Mitigation User Guide](#) for detailed instructions.

**OVERVIEW OF PROPOSED TERMS**

Loan Unpaid Principal Balance	Amortization Term	Monthly Principal & Interest	Scheduled Trial Payment Amount	Payment Reduction Percent (P.R.)
\$107,667.61	480	\$458.39	\$1,161.10	—

**RECORD PAYMENTS**

Number	Scheduled Trial Payment Due Date	Scheduled Trial Payment Amount	Actual Payment Date	Actual Payment Amount	Full
1	05/01/2023	\$1,161.10	05/01/2023	\$1,161.10	Full
2	06/01/2023	\$1,161.10			
3	07/01/2023	\$1,161.10			

9. Use SMDU to close the case.

- Review and/or update the data on the Close Case screen to confirm it aligns with your servicing records, including the Loan Modification Agreement.
- The servicer’s Officer Signature Date **cannot** be before the final modification execution date nor the loan reclassification date.
- The case **must be closed within five calendar days of the case being sent to Fannie Mae for review** to avoid the case being auto cancelled again.
- Below is an example of the SMDU UI Close Case screen. Servicers using the SMDU UI to close the case should reference the “Close an Active Retention Case” section within the [SMDU UI Loss Mitigation Users Guide](#) for detailed instructions.

**CLOSE CASE DETAILS**

PHH40 Rate Lock Date: [Field]  
 Property Valuation Date: 11/29/2022  
 Workout Effective Date: 04/01/2023  
 Servicer Officer's Signature Date: [Field]  
 First Modification Execution Date: [Field]

**POST WORKOUT LOAN INFORMATION**

Reserve Evaluation Date: 11/29/2022  
 Interest Rate: 2.99%  
 Remaining Term: 480  
 Monthly Principal & Interest: \$640.29  
 Loan Product Type: FHEM  
 Servicing Fee: 0.25%

**CONTRIBUTION DETAILS**

Servicer Contribution: \$0.00  
 Estimated Hazard-Related Insurance Proceeds: \$0.00

**INVESTOR REPORTING DATA SOURCE**

Last Total UPB Reported to Fannie Mae: \$222,468.51  
 Existing Purchase Price: [Field]  
 Last Reported UPB to Fannie Mae: \$0/01/2021

**LOAN MODIFICATION CALCULATIONS**

Pre-Modification Unpaid Principal Balance (Pre Case Creation): \$222,468.51  
 Unreported Check/Received Principal: \$1,194.04  
 Current UPB (Before Capitalization): \$221,274.47  
 Total Capitalized Amount: \$13,832.31  
 Required Purchase Price: \$0.00  
 Principal Forgiveness: [Field]  
 New Modified UPB: \$235,105.98

**BREAKDOWN OF CAPITALIZED INTEREST**

Unreported Check/Received Interest: \$1,679.99  
 Last Paid Installment Date before Capitalization: 01/01/2022  
 Delinquent Interest: \$7,627.09  
 Servicer's Hazard Insurance Contribution to Delinquent Interest: \$144.76