

Single Family Master Servicing (LL-2023-05)

Fannie Mae Transition Guide

Updated on August 12, 2024



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Document Change History

Document Change History		
Published Date	Modified Section	Description
June 26, 2024	All Sections	Initial document publication
August 12, 2024	Introduction	For summary reporting mortgage loans that have an actual/actual or scheduled/scheduled remittance type, servicers will be required to submit a LAR 96, reporting borrower payment activity, no later than the next business day after the servicer processes the payment transaction in its system.



Introduction

As announced in LL-2023-05, with a goal to further simplify and streamline servicer reporting, Fannie Mae will introduce the reporting due date changes for summary reporting loans effective September 2024 loan reporting cycle.

NOTE: Reporting due date changes for summary reporting loans applies only to Actual/Actual and Schedule/Scheduled loans. This change does not apply to the existing Scheduled/Actual book of Fannie Mae loans.

This Transition Guide document provides servicers with information on the key milestones and activities when each change becomes effective. The following table describes the process changes for summary mortgage loans that have an actual/actual or scheduled/scheduled remittance type.

Current process for reporting due date for summary reporting mortgage loans
<p>Reporting LARs on Calendar Day 22 (CD22) and Business Day 1 (BD1)</p> <ul style="list-style-type: none"> • Submit removal LARs next Business Day • Submit all payment and no payment activity LARs by CD22 • Review Fannie Mae feedback reports and clear rejects • Submit LAR corrections and additional activity on BD1 • Review Fannie Mae feedback reports and clear rejects by BD1
<p>Hybrid Reporting LARs: Calendar Day 22 (CD22) and Daily until Business Day 1 (BD1)</p> <ul style="list-style-type: none"> • Submit removal LARs next Business Day • Submit all payment and no payment activity LARs by CD22 • Review Fannie Mae feedback reports and clear rejects. • After CD22, submit LAR corrections and additional activity daily until BD1 • Review Fannie Mae feedback reports and clear rejects by BD1
<p>Reporting LARs next Business Day</p> <ul style="list-style-type: none"> • Submit removal LARs next Business Day • Submit all payment LARs next Business Day • Review Fannie Mae feedback reports and clear rejects • Submit no payment activity LARs by CD22

Future process for reporting due date for summary reporting mortgage loans Process
<p>Reporting LARs no later than next Business Day</p> <ul style="list-style-type: none"> • Submit removal LARs no later than next Business Day • Submit all payment LARs no later than next Business Day • Review Fannie Mae feedback reports and clear rejects • Submit no payment activity LARs by CD22





Streamline Investor Reporting with Reporting Due Date Changes for Summary Reporting Loans and LAR 96 Format Expansion

This section of the Transition Guide provides servicers with additional information on the key milestones and activities to adopt the reporting due date changes for summary reporting loans.

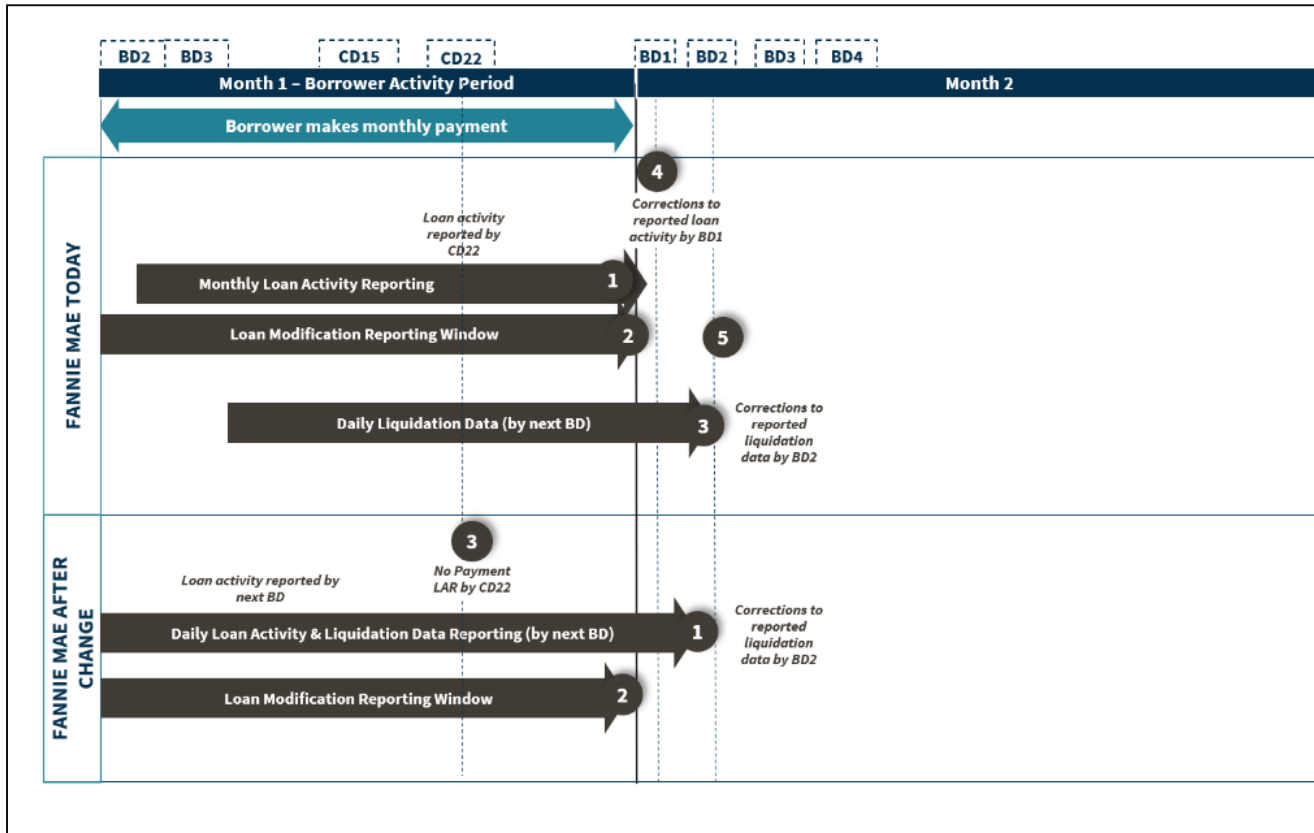
- **Transition Month (TM) (September 2024)**
 - Servicers report all loan activity (non-liquidations and liquidations) to Fannie Mae no later than the next business day after servicer processes the activity in its system.
 - All activity (corrections to reported activity and any additional activity) must be reported by the next business day after the servicer processes the activity in its system but no later than 8 p.m. Eastern Time on the first business day of the month following the reporting period.

Transition Month (September 2024)

For summary reporting mortgage loans that have an actual/actual or scheduled/scheduled remittance type, servicers will be required to submit a LAR 96, reporting borrower payment activity, no later than the next business day after the servicer processes the payment transaction in its system. Next business day reporting for scheduled/actual loans is encouraged, but not required. For all summary loans, if no payment is received from the borrower, a LAR 96 must still be reported by the twenty-second calendar day of the month of the reporting period. If the twenty-second calendar day falls on a weekend or holiday, the LAR 96 is due on the preceding business day. Corrections to reported activity and any additional payment (non-removal) activity for the prior reporting period must be reported by the next business day, after the servicer processes the activity in its system but no later than 8 pm Eastern Time on the first business day of the month following the reporting period. The timing for reporting removal activity remains unchanged.

September 2024 is the transition month (TM), the month in which the following changes become effective.

NOTE: *Fannie Mae will record activity for the last LAR successfully processed.*



Fannie Mae Today

1. Servicers submit monthly LARs by the 22nd calendar day.
2. Servicers submit loan modification data between the 1st and last calendar day (non-pooled loans only).
3. Servicers report liquidations activity to Fannie Mae by the next business day, after servicer processes the activity in its system
4. Servicers correct monthly LARs and report additional loan activity by the 1st business day

Fannie Mae After Change

1. Servicers report *all* loan activity (both payment and liquidations LARs) to Fannie Mae by the next business day after servicer processes the activity in its system.
2. Servicers submit loan modification data between the 1st and last calendar day (non-pooled loans only).
3. Servicers must report if no payment is received from the borrower by the 22nd calendar day.

Note: Corrections to reported activity and any additional activity must be reported by the first business day after the servicer processes the activity in its system but no later than 8 p.m. Eastern Time on the first business day of the month following the reporting period.



Key Milestone		Milestone Description
1	Thursday, 08/22/2024 (August Interim Reporting Date) <ul style="list-style-type: none">• Due date for Monthly Payment LARs / Non-removal Transactions	For the last time , servicers may submit a monthly LAR by 8 p.m. eastern time on the 22nd calendar day of the month of the reporting period.
2	Thursday, 09/04/2024 (September Reporting Period Opens) <ul style="list-style-type: none">• Due date for all Payment LARs / Non-removal Transactions	For the first time , servicers are required to submit <u>all</u> loan activity (both payment and liquidations LARs) to Fannie Mae by the next business day. NOTE: <i>A payment transaction for reporting mortgage loans is <u>only required when a payment is received</u>. If no payment is received, servicers must report by 8 p.m. eastern time on the 22nd calendar day of the month.</i> NOTE: <i>Servicers must continue to submit loan modification data between the first and last calendar day (non-pooled loans only).</i>
3	Friday, 09/20/2024 (September Interim Reporting Date) <ul style="list-style-type: none">• Due date for Monthly Payment LARs / Non-removal Transactions	Servicers must continue to report the loan activity on all mortgage loans by 8 p.m. eastern time on the 22nd calendar day of the month, regardless of whether a payment is received or not. If the 22nd calendar day falls on a weekend or holiday, then the servicer must report the mortgage loan activity by 8 p.m. eastern time on the preceding business day.



Key Milestone		Milestone Description
4	<ul style="list-style-type: none">Removal Transactions	<p>Servicers must continue to submit removal transactions (i.e. payoffs, repurchases, foreclosures, short sales, deeds-in-lieu, and third-party sales) by 8 p.m. eastern time on the first business day after the servicer processes the removal transaction on their system.</p> <p>NOTE: <i>If that business day is the second business day of the month, following the reporting period, the removal transaction must be submitted to Fannie Mae by 5 p.m. eastern time, ahead of the reporting period end.</i></p>
5	<ul style="list-style-type: none">Corrections to Reported Activity	<p>Corrections to reported activity and any additional activity that occurs from the Interim Reporting End Date through the end of the reporting period must be submitted by 8 p.m. eastern time on the first business day of the month following the reporting period.</p> <p>NOTE: <i>If that business day is the second business day of the month, following the reporting period, the removal transaction must be submitted to Fannie Mae by 5 p.m. eastern time, ahead of the reporting period end.</i></p>

For More Information

Servicers should contact future_of_servicing@fanniemae.com, their Servicing Consultant, Portfolio Manager or call 1-800-2FANNIE (1-800-232-6643, Option 1, Option 6) with any questions regarding this Transition Guide.