

Investor Reporting Transaction Type 96 – Loan Activity Reporting User Guide

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Table of Contents

Transaction Type 96 – Overview	.3
Removals and Removal Reversals	
Steps for Reviewing Transaction 96 LARs – Overview	.5
Steps for Reviewing Transaction 96 LARs – Reports and Timing	.6
Reviewing Transaction 96 LARs – Report Examples	. 7
LSDU Successfully Submitted Notification	. 7
LSDU File Upload	. 7
LSDU Completed File Upload	3.
LSDU Payment (LAR 96) Exception Search Results	3.
LSDU Invalid Transactions	.0
Fannie Mae Connect - Loan Activity Summary Report	10



Transaction Type 96 - Overview

Transaction 96 is used for reporting loan activity on payment, non-payment, and removal (e.g., payoff, repurchase, or liquidation) transactions.

- For summary reporting mortgage loans that have a scheduled/scheduled or actual/actual remittance type, the servicer is required to submit a Loan Activity Record (LAR), reporting borrower activity, by 8 p.m. Eastern Time on the next business day after the servicer processes the payment transaction in its system.
- A LAR must be reported by the twenty-second calendar day of the month of the reporting period regardless of whether a
 payment was received from the borrower. If the twenty-second calendar day falls on a weekend or holiday, the LAR 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 8 p.m. Eastern Time on 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.
- Action Code / Action Date is required on all Transaction Type 96 summary reporting.
 - Action Code 00 required for non-removals. (Payment and non-payment LARS).
 - Action Codes for removal transactions or liquidations 60, 65, 70, 71, 72:
 - 60 Borrower Payoff / Investor Payoff
 - 65 Repurchase
 - 70 Liquidation Held for Sale
 - 71 Liquidation 3rd Party Sale
 - 72 Liquidation Pending Conveyance

NOTE: These codes are further defined in the <u>Investor Reporting and Remitting Calendar</u>.

- Removal transaction (LAR 96) for **all** remittance types are due on the first business day after the servicer processes the removal transaction in its system.
- Mortgage Insurance Discontinuation Codes are not Transaction Type 96. They must be reported as Transaction Type 89.
 - This applies to both summary and detail reporting loans.
- Newly acquired A/A loans and MBS S/S loans will be established in Fannie Mae's investor reporting system the business day after they are acquired.
 - Servicers are required to report LARs in the same month that the loans are acquired.
- Servicers may report Transaction Type 96 LARs via CPU-CPU electronic file transfer, LSDU file upload, LSDU Single LAR submission.
- Fannie Mae requires servicers to submit Transaction Type 96 and 97 detail reporting LARs as they are received from the borrower.



Removals and Removal Reversals

If removals (e.g., payoff, repurchase, or liquidation) of A/A and S/S loans are reported on Business Day 1 or 2 (BD1 or BD2) with an action date equal to or less than Business Day 1, then Fannie Mae will include them with the prior month's reporting cycle.

- For BD1 removals of S/S loans, the servicer is not required to pay interest through the month of removal.
- In-Cycle Removal Reversals
 - If a removal transaction for an MBS loan was submitted in error and needs to be reversed within the same reporting
 period (in-cycle reversal), a subsequent monthly LAR transaction should be submitted. It will replace the previously
 submitted removal.
- Out-of-Cycle Removal Reversals
 - If a servicer needs to correct an erroneous removal out of cycle, they must request a loan reinstatement by emailing readd_requests@fanniemae.com. At Fannie Mae's discretion, if the servicer is deemed not to be at fault for the error, the removal is reversed, and the servicer can then report on the loan again.
 - Out of cycle, there is no ability to reverse an erroneous removal of a loan from an MBS pool back into that MBS pool, nor is there an ability to track funds associated with such reversals.
 - If the reinstatement is approved on an erroneous MBS removal, the loan will be brought back as a portfolio mortgage loan (cash loan).

Reporting Transaction 96 LARs

Removal transactions and all payment activity must be reported by the next business day after the servicer processes the transactions in its system and servicers must review their submitted transactions to determine if they were processed successfully via the LSDU Completed File Upload Search and LSDU Payment (LAR 96) Exceptions.

Report Transaction 96 LAR Daily

- Submit removal and payment LARs on the next business day after the servicer processes the transactions on its system.
- Review exceptions in LSDU and clear rejects daily through BD1
- Submit no payment activity LARs by CD22



Steps for Reviewing Transaction 96 LARs - Overview

1. Confirm Fannie Mae File Upload was Successfully Submitted (LSDU)

a. If servicers uploaded LAR file via LSDU File Upload, check the LSDU Completed File Upload Search to confirm LARs were received by Fannie Mae.

2. Review Status in the LSDU Completed File Upload Search

- a. After 30-60 minutes from uploading the file, servicers should check in the LSDU Completed File Upload Search to determine if submitted transactions were processed successfully.
- b. The Completed File Upload Search provides the count of transactions 96, 97. 80, 81, 83, and 89 processed and unprocessed.

3. Review / Resolve Rejects

- a. The servicer may also check new loan exceptions on the day they submit LARs via LSDU Loan Activity Search Tab, Payment (LAR 96) Exceptions. For exceptions, LSDU will provide loan level error messages.
- b. Use the information in these reports to determine how to correct the rejected LAR.
- c. Resubmit the corrected LAR.
- d. If the corrected LAR was successful, the reject will drop from the Payment (LAR 96) Exceptions.

4. Review / Resolve Invalid Transactions

- a. If Invalid Transactions were created, servicers should review the reason for these via Invalid Transactions Tab in Loan Activity Search in LSDU.
- b. Invalid conditions must be resolved before Fannie Mae can process the LAR.
- c. Resubmit the corrected LAR.
- d. Resolved invalids will not be removed from the Invalid Transaction Search results until end of cycle.



Steps for Reviewing Transaction 96 LARs - Reports and Timing

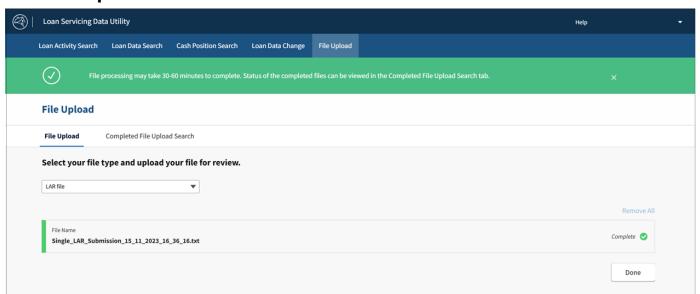
Report/Function	Application	Availability	Available to Vendor	Available to Servicer
LSDU File Upload and LSDU Completed File Upload Search	LSDU	■ ~30 - 60 minutes after submission	Yes	Yes
LSDU Single LAR Submission	LSDU	■ ~20 minutes for submission to process	N/A	Yes
LSDU Payment (LAR 96) Exceptions	LSDU	■ Real Time (allow 15 to 30 minutes latency)	N / A	Yes
Invalid Transactions	LSDU	 Real Time (allow 15 to 30 minutes latency) 	N / A	Yes
Loan Activity Summary Report (count of transactions processed)	Fannie Mae Connect	 Available day after LAR submission in LSDU. Report refreshes once daily, except Monday 7:30 am Tues – Sat (EST) 2:30 pm Sun (EST) 	Via B2B	Yes



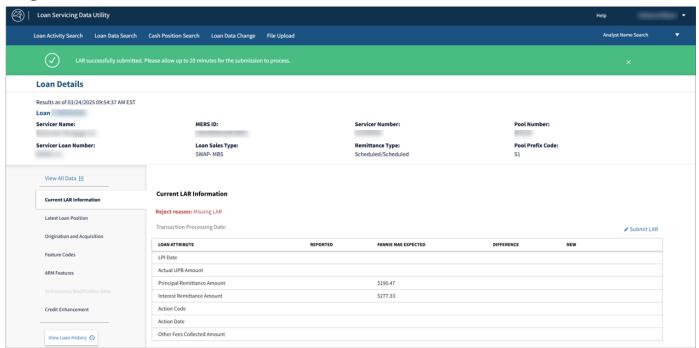
Reviewing Transaction 96 LARs - Report Examples

LSDU Successfully Submitted Notification

LSDU File Upload



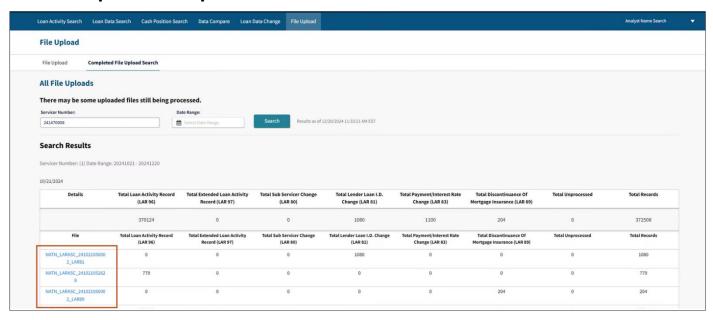
Single LAR Submission notification



NOTE: For additional information on how to submit a LAR via LSDU, please refer to the <u>LSDU eLearning Guide</u> or the <u>LSDU User Guide</u>.



LSDU Completed File Upload Search



Key Report Information:

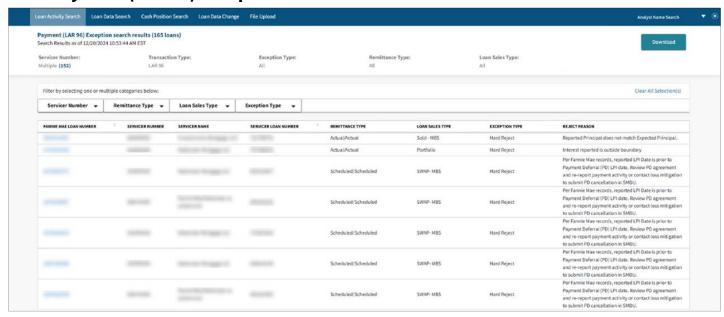
- LSDU Completed File Upload Search indicates uploaded file has been received by Fannie Mae.
- Does not mean the LAR File has been processed by Fannie Mae.

Servicer Action Required:

- If servicers do not see the LAR file they submitted in the LSDU Complete File Upload Search results within 1 hour with appropriate details, they should:
 - Review and confirm the file is formatted properly.
 - Resubmit the corrected file again.

If not successful again, contact your Fannie Mae Investor Reporting Analyst for assistance.

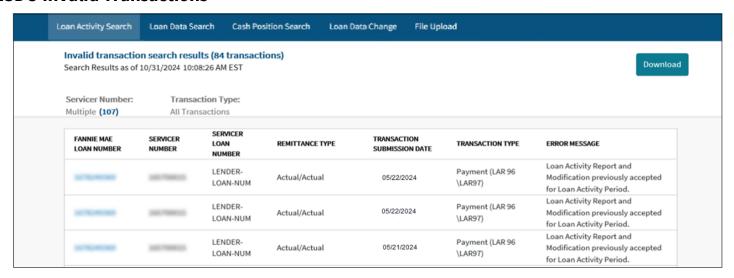
LSDU Payment (LAR 96) Exception Search Results



NOTE: For additional information on how to view LAR 96 Exceptions in LSDU please view the <u>LSDU eLearning Guide</u> or the <u>LSDU User Guide</u>.



LSDU Invalid Transactions





Fannie Mae Connect - Loan Activity Summary Report

Servicer Number	Processing Date	Transaction Source	LAR Type	Total Transactions	Accepted	Hard Rejected	Soft Rejected	Invalid	Unreconciled
123456789	9/9/2016	Servicer, User Interface	96	12			2	2	
123456789	9/9/2016	Servicer, Batch	96	3				0	
123456789	9/9/2016	Servicer, B2B	96	13	10	k 2	0	1	

Key Report Information:

- Availability
 - Available day after LAR submission in LSDU. Report refreshes once daily, except Monday
 - 7:30 am Tues Sat (EST)

2:30 pm Sun (EST)

- Accepted Number of LARs processed successfully:
 - No additional action required by servicers.
 - Transaction will appear on Trial Balance and Accepted Transaction Report on BD 3 (end of cycle).
- Hard Rejected Number of LARs that triggered a hard reject:
 - Servicers must make adjustments and re-submit the transaction.
 - Review LSDU Payment (LAR 96) Exceptions for loan level detail for hard rejects.
- **Soft Rejected** Number of LARs that triggered a soft reject:
 - Servicers must make adjustments and re-submit the transaction.
 - Review LSDU Payment (LAR 96) Exceptions for loan level detail for soft rejects.
- **Invalid** Number of LARs that could not be processed:
 - Search Invalid Transactions in LSDU for loan level detail.
 - Servicers must make corrections and resubmit the transaction.
- Unreconciled (if positive number) Number of transactions held by Fannie Mae during BD1 or BD2.
 - May also represent number of duplicate LARs in the current submission file or a previously submitted file.
 - Fannie Mae will process held transactions once the current cycle closes. No additional action is required by servicers.
 - Servicers should check the LAR file to determine how to prevent sending future duplicate transactions.
- Unreconciled (if negative number) Number of held transactions processed by Fannie Mae on BD2 + 1.
 - May also represent the number of duplicate LARs in the current submission file or a previously submitted file.
 - Fannie Mae will process held transactions once the current cycle closes. No additional action is required by servicers.
 - Servicers should check the LAR file to determine how to prevent sending future duplicate transactions.



Issue	Possible Causes	Corrective Action			
 LAR is Missing the Loan Action Type Code and/or Action Date 	 Servicer failed to provide action code/action date for LAR 96 transactions For EDI format only – action code 02 must be used for EDI to translate to 00 and D8 must be used as the qualifier to indicate that an action date is to follow 	 Servicer should enter appropriate action code/action date in the LAR file or Single LAR 96 submission Servicer should update EDI translation code and submit corrected transactions 			
 Payment Transaction cannot be Processed on an Inactive Loan 	 The identified loan is not active in the Fannie Mae qualifier to indicate investor reporting system 	 If loan is truly active, servicer should follow the loan re-instatement request process by contacting readd_requests@fanniemae.com 			
 The Loan Activity Action Date cannot be Effective for a Future Loan Activity Period 	 Servicer is reporting an action date which is greater than the current processing month 	 Servicer should review data and submit corrected transactions 			
 LAR set Failed Servicer Match 	 Servicer is reporting more than one LAR for a loan, but one of the LARs has an incorrect servicer number 	Servicer should review data and submit corrected transactions			
 Invalid Fannie Mae Loan Number (Does not exist in LSDU Database) 	■ Servicers are sending in LARs for loans which are not in LSDU.	 Loans will be available in LSDU in the month of acquisition on the BD following settlement Loan activity may be reported, as applicable, anytime thereafter 			