



Workout Reconciliation Job Aid

Flex Modifications, Payment Deferrals, and Bankruptcy Cramdowns

Purpose

The purpose of this job aid is to assist Servicers with completing the reconciliation of Fannie Mae loan workouts. We recommend that Servicers reconcile their workout pipeline monthly to ensure Servicer and Fannie Mae records are accurate, complete, and in-synch.

The Reconciliation consists of the following data elements:

- Pipeline Loan Count
- Note Rate
- Pass Thru Rate
- P&I Amount
- Gross Servicing Fee Rate
- Payment Effective Date
- Post Workout UPB (Interest Bearing Balance)
- Post Workout Forbearance Amount (Non-Interest-Bearing Balance)

Why?

The objective of the reconciliation is to identify loan count and data differences in loan workouts between Fannie Mae and Servicer systems.

Scenarios include, but are not limited to:

- Servicer has a completed loan workout in their servicing system, but a workout has not been submitted to Fannie Mae.
- Servicer has a completed loan workout in their servicing system and submitted the workout to Fannie Mae, but the workout case was cancelled by Fannie Mae and not resubmitted by Servicer.
- Servicer cancelled the workout in their servicing system but failed to submit or request a cancellation in Fannie Mae system.
- Servicer submitted/requested the workout cancellation in Fannie Mae system but failed to cancel it in their servicing system.
- Mismatch in the workout attributes (Post Workout UPB, Principal Forbearance Amount, etc.).

How?

Compare workouts between Fannie Mae's system and the Servicer's system using the following steps.

1. Retrieve the loan Workout population from Fannie Mae's system and Servicer system.



Report Name	Instructions
Fannie Mae system - FM Connect – Loss Mitigation Reconciliation Report	<ol style="list-style-type: none"> 1. Identify loans from the downloaded report with a “Completed”, “Closed” and “Cancelled” status using column J “Case Status.” 2. Use column AS “Case Closed Date” to filter out any blanks and only show actual cases that have been processed in Fannie Mae System 3. Filter column M “Case Status Date” for the dates you wish to reconcile intended for <ol style="list-style-type: none"> a. NOTE: For cases marked “Completed” in column M, check against column AS “Case Closed Date” to only pick up the cases Closed in the reconciling cycle period
Servicer System	Your Fannie Mae loan workout pipeline for prior calendar month.
Fannie Mae system – Additional FM Connect Report for reference <ul style="list-style-type: none"> • Loan Workout Daily Activity Report 	

2. Complete the reconciliation as to Fannie Mae’s and Servicer’s workout attributes. Enter the reconciling items in the Workout Reconciliation form. Instructions on how to fill out the Workout Reconciliation form can be found in Appendix A.
3. Provide completed workout reconciliation form to the Fannie Mae Investor Reporting manager for review.
4. Resolve reconciling differences. Recommended actions could be found in the Workout reconciliation form in tab “Reason Description.”

Appendix A

Instructions for completing Workout Reconciliation Form

Header

Field	Action
Month Reconciled	Enter the Calendar month and year of reconciliation
Workouts in Servicer’s system	Enter the Servicers count of loans in the specific portfolio
Workouts in Fannie Mae’s system	Enter the Fannie Mae’s count of loans from Loss Mitigation Reconciliation report in the specific portfolio

Month Reconciled		Workouts in Fannie Mae system		Workouts in Servicer system
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Reconciling Items

Complete the following sections if the loan and/or attribute between Fannie Mae and Servicer are not aligned.



Field	Action
Servicer Number	Enter 9 Digit Servicer Number
Fannie Mae Loan Number	Enter the Fannie Mae loan number for each identified item. Note: Multiple attribute exception for single loan number should be listed individually
Servicer Loan Number	Enter the Servicer loan number for each identified item.
Reason	Select the reason from Dropdown. Reason Description and recommended action is in Workout Reconciliation Form
Attribute	Select attribute to be changed from Dropdown if there is an attribute difference between Fannie Mae & Servicer
FNM Value	Enter FNM value for the selected attribute above from Closed Mod Report
Servicer Value	Enter Servicer value for the selected attribute above from Servicer system
Correct Value	Enter correct value as shown in Loan modification agreement
Servicer Comments	Enter Servicer comments as applicable. Note: Comments are required if Reason 7 (Other) is selected
Age (in days)	Enter the age of the loans (number of days in 30-day increments) that has been unresolved – 0, 30, 60, 90+
Target Resolution Date	Enter Servicer expected date of resolution.

Servicer Number	FNM Loan Number	Servicer Loan Number	Reason (Select from list)	Attribute (Select from list)	FNM Value	Servicer Value	Correct Value	Servicer Comments	Age (in days) (Select from list)	Target Resolution Date

Footer

Complete the following sections of the footer:

Field	Action
Servicer Name	Enter the name of Servicer
Prepared By	Enter your printed name
Approved By	Enter the designated second signature (approver)
Prepared Date	Enter the date the reconciliation is completed



Servicer Name	
Prepared By:	
Approved By:	
Prepared Date:	