



Fannie Mae Changes to Investor Reporting Release Notes

Updated January 30, 2017

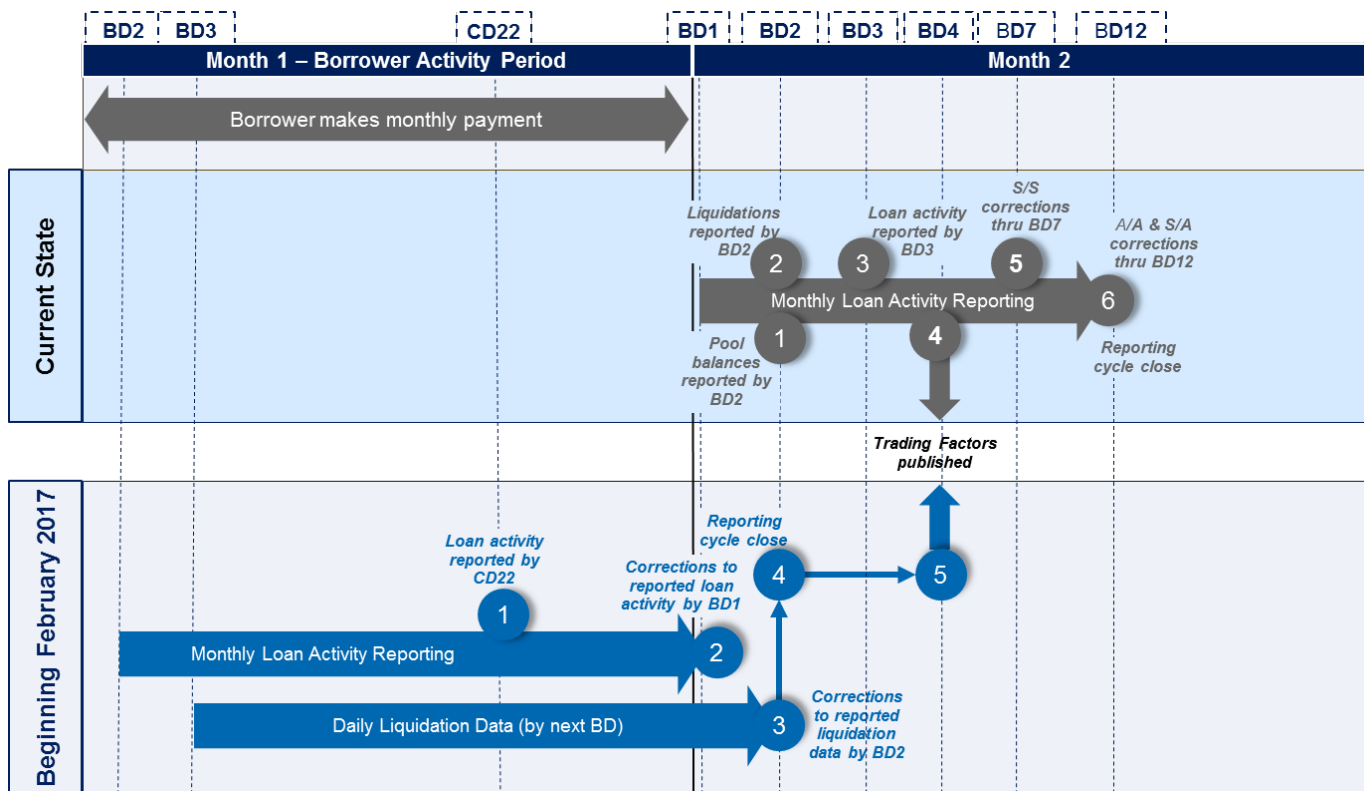
As announced in Lender Letter [LL-2014-06, Announcement SVC-2015-07](#) and Lender Letter [LL-2016-01](#), Fannie Mae is updating its Single-Family Investor Reporting requirements effective February 1, 2017. These updates include eliminating the Single-Family MBS “call-in” requirement and adjusting due dates for monthly loan reporting. These updates affect all loans and servicers. Servicers will need to adhere to these policy changes when reporting loan activity that occurs on or after February 1, 2017. Fannie Mae’s Servicing Guide and investor reporting manual will be updated and available mid-January 2017.

Outlined in this document are the Investor Reporting business process and technology changes that will occur as part of this release. More details on the process requirement changes can be found [here](#).

January 30, 2017 Update – The following changes have been made to this document:

- **Business Process Changes** section – updated to clarify the scheduled calculation date
- **Technology Changes** section – updated to: (i) clarify the time to enter draft amounts in CRS to 3:00 p.m. ET on February 10, 2017; (ii) update the time that the close modification edit is effective; (iii) clarify SURF availability; (iv) clarify HSSN/SMDU availability; (v) update when new and modified reports will be available in Fannie Mae Connect; (vi) clarify the P&I Draft Report availability within MBS Reporting and (vii) updates to availability of some Fannie Mae connect reports.

When the process updates become effective February 2017, the loan level data reporting window will be aligned with the Borrower Activity Period, as illustrated below.



NOTE: *BD* is an abbreviation for *Business Day*; *CD* is an abbreviation for *Calendar Day*



Business Process Changes

The following are highlights of the business process changes. For detailed information, visit the [Fannie Mae Changes to Investor Reporting](#) web page.

- Reporting Single Family MBS SWAP security balances is eliminated **after** the February Call In cycle. Servicers are required to report their security balances to Fannie Mae by Thursday, February 2, 2017 (BD2), 5:00 p.m. eastern and any security balance corrections by Friday, February 3, 2017.
- A loan activity report (LAR) is required by 8 p.m. ET on the Interim Reporting End Date (the twenty-second calendar day or the business day prior if the 22nd is a holiday or weekend), for every Fannie Mae loan for which a servicer is servicing, regardless of whether a borrower payment was received. If no payment is received, the servicer must submit a LAR indicating that no payment was received (the LPI date does not advance). See the [Investor Reporting and Remitting Calendar](#) for the Interim Reporting End Date for each month.
- Loan removal transactions (i.e. payoffs, repurchases, foreclosures, short sales, deeds-in-lieu, and third party sales) must be reported by 8 p.m. ET on the first business day after the servicer processes the removal transaction on its system, if that business day is not the second business day of the month. If that business day is the second business day of the month, the removal transaction must be submitted to Fannie Mae by 5 p.m. ET. Servicers must correct removal transaction reporting errors in time to reach Fannie Mae by 5 p.m. ET on the second business day of the month following the reporting period in which the activity occurred.
- Loan scheduled interest rate or monthly payment changes must be reported on the fifth business day after the scheduled calculation date (rate effective date minus look back [period](#)).
- The ability to reverse an erroneous removal of a mortgage loan from an MBS pool in a previous reporting period (i.e., out of cycle) will be eliminated. If, at Fannie Mae's discretion, a removal is reversed, the mortgage loan will be held as a portfolio mortgage loan.
- Due to the February 2017 changes, the Investor Reporting Performance Scorecard will be updated as shown in the table below. Fannie Mae will review and analyze the performance metrics and then establish thresholds/weights for the metrics and communicate the values in the fall of 2017.

| Metrics - NEW | Description |
|--|--|
| Loans Not Reported Rate | Percentage of unique active loans in portfolio which were not reported (missing LAR) in a timely manner as per Fannie Mae's policies and guidelines. |
| LAR 83 Discrepancy Rate | Percentage of unique active ARM loans in portfolio with outstanding note rate and/or payment change discrepancies at any point in a given month. |
| Average Day Reporting Liquidations | Average days for a servicer to report a liquidation LAR in an accepted state. |
| Metrics - Retired | Description |
| Negative Pool Discrepancy Average Amount | Assess the average under-collateralization amount for total pool pieces in portfolio for a reporting period. |
| Negative Pool Discrepancy Rate | Percent of pool pieces in portfolio which are under collateralized at S/S close for the activity month selected. |
| Positive Pool Discrepancy Average Amount | Assess the average over-collateralization amount of total pool pieces in portfolio for a reporting period. |
| Positive Pool Discrepancy Rate | Percent of pool pieces in portfolio which are over collateralized at S/S close for the activity month selected. |

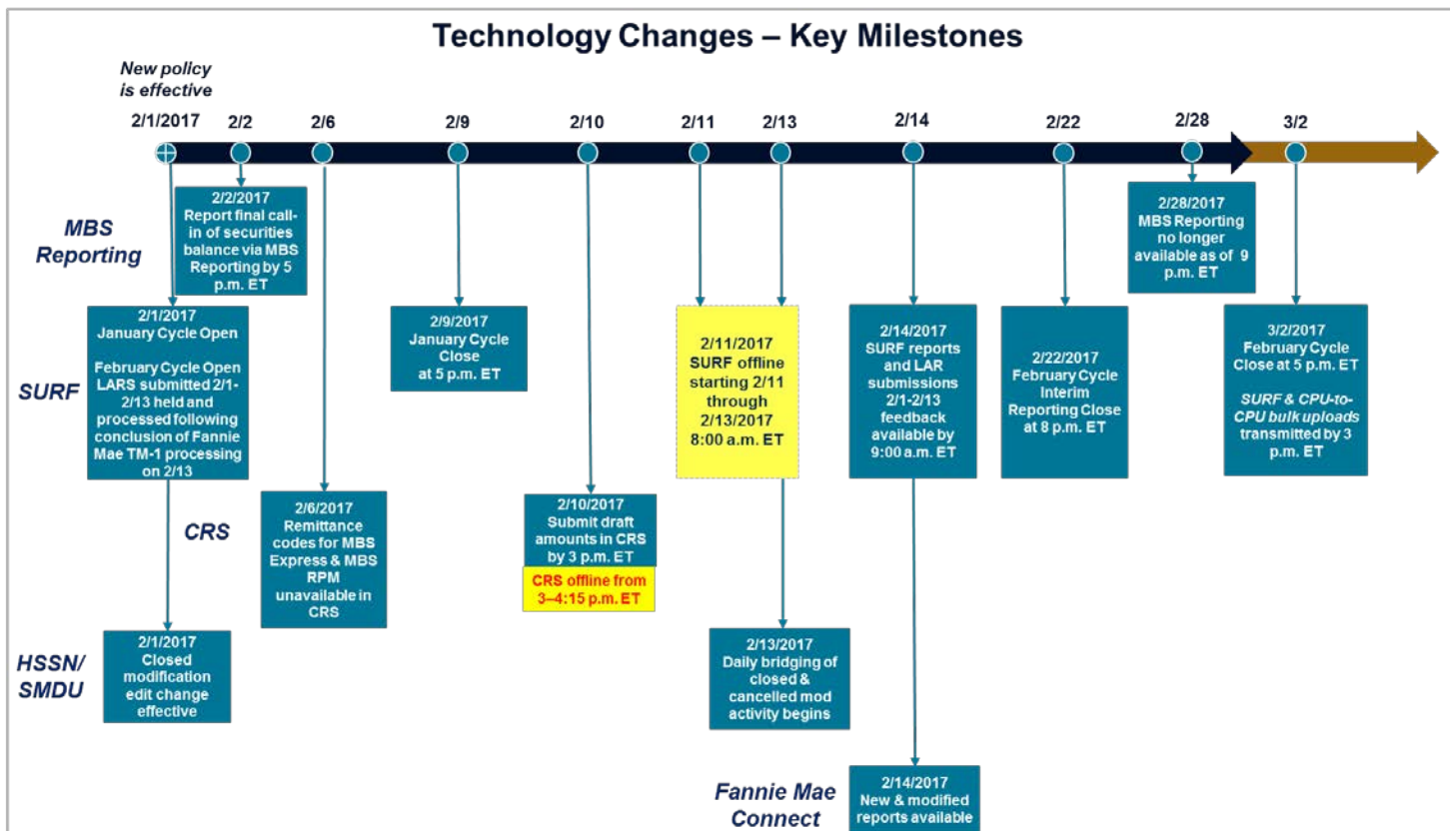


Technology Changes

The following Fannie Mae applications are affected by the changes: Servicer's Reconciliation Facility™ (SURF™), Cash Remittance System™ (CRS™), HomeSaver Solutions™ Network (HSSN), Servicing Management Default Underwriter™ (SMDU™), eTransfers, Fannie Mae Connect™ and MBS Reporting. The URLs for the affected applications may change. Servicers may need to replace bookmarked URLs for affected technology applications with new links. If using a bookmarked URL and an error message is received that reads: "the application is not found", servicers should try accessing the application from the [Servicing](http://Fanniemae.com) webpage on Fanniemae.com.

The timeline below highlights some key technology milestone dates during Fannie Mae's transition to the investor reporting changes.

Important Notice for February 10, 2017
Draft amounts for all funds due to Fannie Mae (Single Family and Multi Family) must be entered via CRS by 3:00 p.m. ET



The table on the following page further details the effective dates for the functionality changes for each affected application.



| Application | Functionality Change | Effective Date |
|-------------|---|--|
| SURF | Action Code and Action Date – Required for LAR 96 to report loan activity corresponding to February activity and beyond for summary reporting loans | February 1, 2017 (BD 1) |
| | Exception Messages – Set Internet Explorer Compatibility View Settings to receive exception messages | February 1, 2017 (BD 1) |
| | <p data-bbox="345 663 943 814">February 2017 SURF Availability – SURF is unavailable Saturday, February 11, 2017 (CD 11) through Monday, February 13, 2017 (BD 9) 8:00 a.m. ET. SURF has limited functionality on February 13, 2017 (see further information below).</p> | <p data-bbox="982 512 1507 604">SURF will not be available Saturday, February 11, 2017 (CD 11) through Monday, February 13, 2017 (BD 9) 8:00 a.m. ET</p> <p data-bbox="982 632 1490 724">SURF limited functionality available starting 8:00 a.m. ET Monday, February 13, 2017 (please see further information below).</p> <p data-bbox="982 751 1458 814">Full SURF functionality will be available February 14, 2017 (BD 10) 9:00 a.m. ET</p> <p data-bbox="982 842 1511 968">LAR processing feedback for LARs submitted February 1, 2017 – February 13, 2017 will be available February 14, 2017 (BD 10) 9:00 a.m. ET</p> |
| | Transaction Type 89 – NEW transaction to report mortgage insurance discontinuance | February 14, 2017 (BD 10) |
| | SURF Report Availability – Schedule changes for SURF reports | February 14, 2017 (BD 10) |
| | Availability of Bulk Submissions – No bulk submissions of transactions via CPU-to-CPU electronic file transfer or SURF upload after 3:00 p.m. ET on BD 2 | March 2, 2017 (BD 2) |
| CRS | Remittance Codes Unavailable – Remittances can no longer be initiated for S/S MBS Express and S/S Rapid Payment Method (RPM) Principal and Interest | February 6, 2017 (BD 4) |
| | CRS Application Outage –Servicers must enter amounts to be drafted before 3:00 p.m. eastern on BD 8 of the transition month. | February 10, 2017 (BD 8) 3 p.m. ET – 4:15 p.m. ET |



| Application | Functionality Change | Effective Date |
|--------------------|---|---|
| HSSN / SMDU | Closed Modification Edit Change – Final Pre-Mod UPB and Final Pre-Mod LPI in HSSN must match the UPB and LPI in Fannie Mae’s investor reporting system or the case will not close | February 1, 2017 (BD 1) |
| | Case Creation and Closing – Fannie Mae recommends delaying case creation and closing during the dates noted, as information between Fannie Mae systems may not be synchronized and may result in exceptions caused by the unsynchronized information. In most scenarios, a \$0 UPB will be retrieved for the loan, preventing case creation. This recommendation also includes those who use SMDU Case Management functionality to create HSSN cases. SMDU Auto Decision functionality is not affected and will be up and available during regularly scheduled times. | Case Creation and Closing: February 10 (BD 8) 7 p.m. ET – February 13 (BD 9) 4 a.m. ET |
| | Case Trial Updates and Case Cancellation – Case trial updates and cancellations can proceed as usual during the transition. Those who use Case Management functionality to update or cancel an HSSN case, are not affected. SMDU Auto Decision functionality is not affected and will be up and available during regularly scheduled times. | February 1, 2017 – February 15, 2017 |
| | Daily Closed/Cancelled Modification Bridging – Closed and Cancelled Modification activity sent to Investor Reporting application | February 13, 2017 (BD 9) |
| eTransfers | Loan level servicing transfer information for transfers with an effective date on or after April 1, 2017 | February 10, 2017 (BD 8) |
| Fannie Mae Connect | New and modified reports available | February 14, 2017 (BD 10) – more details here |
| MBS Reporting | <ul style="list-style-type: none"> Final Call In cycle is February 2017, security balances are due February 2, 2017. Final P&I Draft Amount Report (pool level) will be available February 7, 2017. | Application is retiring and is unavailable after 9 p.m. ET February 28, 2017 (CD 28) |

Further details on each affected application can be found below.

SURF

- **Action Code and Action Date:** As of February 1, 2017, all LAR 96 payment activity reports require an Action Code and Action Date for loan activity corresponding to February borrower activity and beyond. The new Action Code (00 for eighty character fixed width file format or 02 for ANSI X12 file format) and corresponding Action Date specify the borrower activity period for each LAR 96. The Action Code and Action Date indicate the application of a mortgage payment or the non-receipt of a mortgage payment for a summary reporting loan. The Action Date is any date from the first to the last day of the month. The Action Date cannot be effective for a future Loan Activity Period or greater than the current activity period end date.



- **Exception Messages:** SURF is configured to work on Internet Explorer 8. Servicers will need to set their Internet Explorer Browser Compatibility View Settings to “Use Microsoft compatibility lists” to receive SURF’s full functionality, such as an exception message when a business rule isn’t satisfied. If servicers do not configure Internet Explorer accordingly they may not see exception messages and will receive rejects the following day.

February 2017 SURF Availability: SURF is available February 2017 from 8 a.m. – 10:00 p.m. ET, Monday through Saturday. SURF is available Thursday, February 9, 2017 (BD 7) until 10:00 p.m. ET. LAR bulk submissions must be submitted by 3:00 p.m. ET and manual LAR submissions must be entered by 7:30 p.m. ET.

NOTE: The 7:30 p.m. ET is an earlier time than usual to accommodate the Investor Reporting changes.

SURF is available Friday, February 10, 2017. SURF is unavailable Saturday, February 11, 2017 through Monday, February 13, 2017 (BD 9) 8:00 a.m. ET. SURF has limited functionality February 13, 2017. Full SURF functionality resumes February 14, 2017 9:00 a.m. ET. The following table details the SURF functionality available on 2/13, 2017.

| Available 2/13 | Unavailable 2/13 |
|---|--|
| LAR Transmit File – bulk upload of all LAR types | Loan Reporting screen (LAR submission, loan changes, etc.) |
| Reconciliation (note - for January loan activity) | Loan Rejected (LAR edits, etc.) |
| Acknowledgment files | View Loan (loan information) |
| View transmission files | Enhanced Download Reports (reports) |
| Reports reflect January activity | |

- LARs submitted February 1, 2017 (BD 1) – February 13, 2017 (BD 10) 8 p.m. ET will be processed in order of receipt, February 13, 2017 (BD 10) after business hours, and reports on the activity will be available February 14, 2017 (BD 11), 9 a.m. ET.
- **Transaction Type 89:** To report the termination or cancellation of mortgage insurance coverage for summary and detail reporting loans, a Transaction Type 89 must be reported to Fannie Mae. This transaction can only be reported using an eighty character fixed width file format through SURF upload function. Submitting a Transaction Type 89 is available starting February 14, 2017.
- **Availability of Bulk Submissions:** Bulk submissions of transactions cannot be performed via CPU-to-CPU electronic file transfer or through SURF’s upload function after 3:00 p.m. ET on BD 2. Servicers may submit transactions via the SURF data entry screen after 3:00 p.m. ET on BD 2.
- **SURF Report Availability:** All SURF reports are listed below, along with any schedule changes, effective February 2017. For reports with a frequency of Monthly BD 3, the reports will be available by end of day (EOD).

| SURF Report | January Reporting Period | February Reporting Period and Beyond |
|--------------------------|---------------------------|--------------------------------------|
| ARM | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Enhanced | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Enhanced MBS | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Enhanced S/S Whole Loans | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Fixed | BD 9 – February 13, 2017 | Monthly (BD 3) |



| SURF Report | January Reporting Period | February Reporting Period and Beyond |
|------------------------------------|---------------------------------|---|
| LAR Correction Report – 83 | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| LAR Correction Report – 96 | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Maturity | BD 9 – February 13, 2017 | Monthly (BD 3) |
| MBS 3+ Purchase Advice | CD 16 – February 16, 2017 | Daily (1 st BD following reclassification events between BD3 and Interim Reporting Period End Date) |
| Modification Recap Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| P&I MBS Reimbursement Report | Monthly (1-6 times a month) | Monthly (1-6 times a month) |
| PFP Book | BD 9 – February 13, 2017 | Monthly – BD 2 +2 |
| PFP New Issues | Monthly (CD 1) | Monthly (CD 1) |
| PFP Reclass | BD 10 – February 14, 2017 | Monthly (Interim Reporting End Date + 1) |
| Portfolio Summary | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Rate Reduction Changes | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Rejects | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Remittance Corrections | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Remittance Detail Report | Monthly (CD 3) | Monthly (CD 3) |
| Shortage/Surplus Adjustment Detail | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Shortage/Surplus Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Variable Rate/Payment | Daily (Monday – Saturday) | Daily (Monday – Saturday) |

Cash Remittance System (CRS)

- **Remittance Codes Unavailable:** Servicers will no longer initiate remittances for Rapid Payment Method (004) or MBS Express (005) via CRS. Banking instructions for these payments will continue to be submitted via CRS (no change).
- **CRS Application Outage:** CRS closes early on February 10, 2017 (Feb BD 8); draft amounts must be submitted by **3:00 p.m.** ET. CRS **will not** be accessible to servicers to submit remittances from **3:00 p.m.** to **4:15 pm** ET on February 10, 2017. Remittances submitted after February 10, 2017, **4:15 pm** ET, will have a settlement date of February 14, 2017.

HomeSaver Solutions Network and Servicing Management Default Underwriter (HSSN/ SMDU)

- **Closed Modification Edit Change:** The Final Pre-Mod UPB and Final Pre-Mod LPI reported to Fannie Mae must match the UPB and LPI in Fannie Mae's investor reporting system or the case will not close.



- **Case Creation and Closing** – Fannie Mae recommends delaying case creation and closing February 10, 7 p.m. ET – February 13, 4:00 a.m. ET, as information between Fannie Mae systems may not be synchronized and may result in exceptions caused by the unsynchronized information. In most scenarios, a \$0 UPB will be retrieved for the loan, preventing case creation. This recommendation also includes those who use SMDU Case Management functionality to create HSSN cases. SMDU Auto Decision functionality is not affected and will be up and available during regularly scheduled times.
- **Case Trial Updates and Case Cancellation** – Case trial updates and cancellations can proceed as usual during the transition. Those who use Case Management functionality to update or cancel an HSSN case, are not affected. SMDU Auto Decision functionality is not affected and will be up and available during regularly scheduled times.
- **Daily Closed/Cancelled Modification Bridging:** Closed and canceled modifications will be established on Fannie Mae's investor reporting system daily, beginning on February 13, 2017 (BD 9 of Transition Month).
- **Closed Modification Report, Cancelled Modification Report and the Failed Business Rules Report:** These reports will be available daily, Monday through Saturday, beginning on February 14, 2017 (BD 10 of Transition Month).

NOTE: *Data in HSSN will be more current than data from the Investor Reporting system February 10, 2017 through February 13, 2017. Synchronized data will be available February 14, 2017 9:00 a.m. ET.*

eTransfers

The eTransfers application will be updated to remove pool level information. Servicers will begin to see these changes during the transition month starting February 10 (BD 8). There is a **temporary moratorium** on **post-delivery** servicing transfers with effective dates of February 1, 2017 through March 31, 2017. However, transfer requests may be entered for transfers with an effective date later than March 31, 2017. Transfer requests can contain/co-mingle loans with different remittance schedules and loan transfer transaction corrections must be submitted by 9:00 p.m. ET on the 25th calendar day of the month prior to the transfer effective date. S/S, A/A and S/A loans are transferred on the 2nd business day.

MBS Reporting

The MBS Reporting application is retiring in February 2017 and **will no longer be accessible** after 9 p.m. ET February 28, 2017.

| MBS Reporting | January Reporting Period | February Reporting Period and Beyond |
|--|---|--|
| P&I Draft Amount Report <i>(Pool Level)</i> | January P&I Draft Amount Report available January 9, 2017 | <ul style="list-style-type: none"> • February P&I Draft Amount report available February 7, 2017 <i>(final pool level – accessible in MBS Reporting until 2/28)</i> • <i>Remittance Details – Principal and Interest (loan level) available as indicated in the Fannie Mae Connect section starting March 2017</i> |

Fannie Mae Connect

All reports listed below can be found on Fannie Mae Connect, effective February 2017. Changes to the publication of these reports are also indicated where applicable. For reports with a frequency of Monthly BD3, the reports will be available by end of day (EOD).



| Fannie Mae Connect Report | January Reporting Period | February Reporting Period and Beyond |
|---|---|--|
| Accepted Transactions Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Cancelled Modification Report | Daily (Monday – Sunday) | Daily (Monday – Sunday) |
| Cash Remittance System Draft Notifications | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Current Cycle Shortage/Surplus Adjustments Report | BD 9 – February 13, 2017 | Twice – BD 3 and CD 28 |
| Del Mod – Schedule/Schedule (S/S) Cash P&I Advance Report | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Delinquency Modification (Del Mod) Failed Business Report | Daily (Monday – Saturday) | Daily (Monday – Saturday) |
| Detail Reporting Trial Balance Report | Monthly (BD 2) – February 2, 2017 | Monthly (BD 2) |
| DARTS Closed Modification Report | Monthly BD 3 – February 3, 2017 | Daily (Monday – Sunday) |
| Final Maturity Due Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Highest Paydown* | BD 3 – February 3, 2017 BD 4 – February 4, 2017 | RETIRED |
| LAR83 Projections and Tracking Report | N/A | Daily (Tuesday - Sunday) BD 10 – February 14, 2017 |
| Lender Recap Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Loan Activity Rejects Report | BD 9 – February 13, 2017 | Thrice Monday – Saturday (9am, 1pm, and 5pm) |
| | | 4 times on BD 2 (9am, 1pm, 5pm, and 8:30pm) |
| Loan Activity Summary Report | N/A | Daily (Tuesday - Sunday) BD 10 – February 14, 2017 |
| Loan Reinstatement Report | Daily (Monday – Sunday) | Daily (Monday – Sunday) |
| Loan Removal Report | Monthly (BD 17) – February 24, 2017 | Monthly (BD 17) |
| Loan – Level Stripped MBS (SMBS) Report | Monthly (BD 7) – February 9, 2017 | Monthly (BD 7) |
| MBS Guaranty Fee Pre-Draft Notifications | Monthly (1 st BD prior to BD7) – February 8, 2017 | Monthly (1 st BD prior to BD7) |
| MBS P&I Pre-Draft Notifications | Monthly (BD 4) – February 6, 2017 | Monthly (BD 3) |
| Monthly Payment/Rate Change Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Paid off Pools Report* | Daily from BD 2 – BD 4 | RETIRED |
| Pool Deficiency Report* | Daily from BD 1 – BD 7 BD 8 - February 10, 2017 (final report) | RETIRED |



| Fannie Mae Connect Report | January Reporting Period | February Reporting Period and Beyond |
|--|---|---|
| Pool Deficiency Summary/Guaranty Fees to be Paid Report* | BD 8 - February 10, 2017 (final report) | RETIRED |
| Pool out of Tolerance* | BD 3 – February 3, 2017 BD 4 – February 4, 2017 | RETIRED |
| Pool Pass-Through Rate Discrepancy Report* | Daily from BD 2 – BD 4 | RETIRED |
| Pool to Security Reconciliation Detail Report | BD 8 – February 10, 2017 | RETIRED |
| Recurring Hard and Soft Rejects | 1 st CD after BD 3 – February 4, 2017 | Monthly – 1 st processing day after CD 16 |
| | BD 9 – February 13, 2017 | 1 st CD after CD 22 |
| | | 1 st CD after BD 2 |
| Remittance Details – Guaranty Fee | N/A | Monthly – 1 st CD after last BD of Month |
| Remittance Details – Principal and Interest | N/A | Monthly (BD 3) |
| Remittance Update Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| SCRA Disbursement Report | Monthly (Last BD of Month) – January 31, 2017 | Monthly (Last BD of Month) |
| SCRA Cash Report | Monthly (Last BD of Month) – January 31, 2017 | Monthly (Last BD of Month) |
| Shortage/Surplus Analysis Report | BD 9 – February 13, 2017 | Monthly (BD 3) |
| Trial Balance Report | BD 9 – February 13, 2017 | Monthly (BD 3) |

NOTE: A complete list of all retired reports can be found in the [Appendix](#).

For More Information

Servicers should call 1-800-2FANNIE (1-800-232-6643) or contact their CAG, CDT, call-in_information@fanniemae.com, or Investor Reporting representative with any questions regarding the changes to Investor Reporting.

Servicers can also reference the [Servicing Guide](#), the [Investor Reporting Manual](#) and the technology application job aids found on Fannie Mae's [Servicing](#) Page. All Selling and Servicing guides can be found on [AllRegs](#) in cooperation with Fannie Mae.

Please refer to Fannie Mae's [Investor Reporting and Remitting Calendar](#) for information on the reporting and remitting dates.

Appendix

The following reports will retire due to the changes and elimination of MBS pool loan reporting. Servicers will be able to access historical reports for six months.



| Reports (Retired) | Final Reports |
|---|--|
| Highest Paydown Report | BD 3 – February 3, 2017 BD 4 – February 4, 2017 |
| Paid off Pools Report | BD 2 – BD 4 – February 2 – 6, 2017 |
| Pool Deficiency Report | BD 8 – February 10, 2017 |
| Pool Deficiency Summary/Guaranty Fees to be Paid Report | BD 8 – February 10, 2017 |
| Pool out of Tolerance | BD 3 – February 3, 2017 BD 4 – February 4, 2017 |
| Pool Pass-Through Rate Discrepancy Report | BD 2 – BD 4 – February 2 – 6, 2017 |
| Pool-to-Security Reconciliation Detail Report | BD 8 – February 10, 2017 |