

October 24, 2013

## Reporting Procedures for GSE HAMP Permanent Modifications Using Streamlined Modification Trial Payments

Borrowers who are solicited and respond to a Streamlined Mod offer might be eligible for a GSE HAMP permanent modification if during the Streamlined Mod trial period, the borrower:

1. provides all necessary documentation, including a complete Borrower Response Package and any required income documentation;
2. meets all GSE HAMP eligibility requirements;
3. makes three consecutive payments at the Streamlined Mod monthly payment amount; and
4. has a proposed monthly mortgage payment under GSE HAMP that is less than the Streamlined Mod monthly mortgage payment amount.

Once all required documentation is received within the timeframe required by the Streamlined Mod program, the servicer should evaluate the borrower for GSE HAMP, including any necessary escrow analysis and submission to the NPV Tool. On the basis of this evaluation, the servicer should determine which modification will provide the homeowner with the lowest monthly mortgage payment and prepare the permanent modification documents for the homeowner based on whichever modification option provides the lowest payment.

### Reporting in to the NPV Tool for GSE HAMP Permanent Modifications

Servicers should use inputs for the NPV Tool based on borrower information as of the NPV evaluation date (Tool refers to this date as the Data Collection Date).

*Note:* Inputs for borrower information pertaining to “before modification” should be based on the contractual existing mortgage loan terms as of the Data Collection Date. Inputs to the NPV Tool for “after modification” terms should be calculated assuming the modification starts as of the Data Collection Date.

For additional information please refer to the [User Guide – Home Affordable Modification Program Base Net Present Value Model Spreadsheet Tool v5.02](#) located in the secure section of HMPadmin.com.

### Reporting in to the HAMP Reporting Tool for GSE HAMP Permanent Modifications

The process for reporting GSE HAMP Permanent Modifications that result from Streamlined Mod trial payments is similar to reporting HAMP permanent modifications using bankruptcy trial payments in lieu of HAMP trial payments. Specifically, servicers will report these GSE HAMP Permanent Modifications just as they do today for HAMP Modifications that result from bankruptcy trial payments.

Servicers should report these modifications using the Active Chapter 13 Bankruptcy Reporting Procedure outlined below:

The MHA program allows borrowers in an active Chapter 13 bankruptcy who are determined to be eligible for HAMP to be converted to a permanent modification without completing a trial period plan, if they meet specific eligibility and criteria.

In such instances, servicers report the HAMP Permanent Modification using a unique data attribute, “Trial Plan Type Code,” which is collected at both the Trial and Official loan setup and indicates whether the loan was

modified under a standard HAMP trial period plan or when payments under a bankruptcy plan are used in lieu of trial period.

Servicers should report the following values for the Trial Plan Type Code based on the following allowable values:

<b>Transaction Type</b>	<b>Trial Plan Type Code Allowable Value</b>
HAMP Trial or Official Loan Setup:	1 – Standard Trial
Bankruptcy in Lieu of Trial or Official Loan Setup:	2 – Chapter 13 Bankruptcy

### ***Important Reporting Requirements for Reporting Bankruptcy Plan in Lieu of Trial***

- No additional registration is required to use the Bankruptcy in Lieu of Trial or Official Loan Setup code.
- Servicers should report a single Trial Period loan setup transaction to cover all trial payments received (once the third payment is received). No trial period payment transactions are required.
- The length of the trial period must be at least three months.
- The First Trial Payment Due Date should be reported as the first of the month, in which the first Streamlined Mod Payment was received.
- The Trial Period loan setup transaction must be submitted prior to the Official Modification loan setup transaction.
- The Trial Plan Type Code on the Official Modification loan setup must match the value that was reported in the most recent Trial Period loan setup.

### **Reporting Trial Not Accepted/Not Approved Reason Code in to the HAMP Reporting Tool for GSE HAMP Evaluations**

For borrowers who are currently in a Streamlined Modification and subsequently return a complete HAMP package, servicers should evaluate the borrower for a HAMP modification. If after this evaluation it is determined that the HAMP Modification monthly payment is higher than the Streamlined Modification monthly payment, servicers should decline the HAMP modification and allow the borrower to continue in the Streamlined Modification. Servicers should communicate the HAMP decision to the borrower and report Trial Not Approved/Not Accepted Reason Code 8 (Offer Not Accepted by Borrower/Request Withdrawn) to the HAMP Reporting Tool.

Servicers should reference the [HAMP Data Dictionary](#) located on [HMPAdmin.com](#) for additional details on these codes and any associated edits.