

Help for America's Homeowners



MHA Program Sunset Overview

Training for Servicers





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HAMP

Overview of HAMP Deadlines regarding Eligibility

- To be eligible for HAMP Tier 1 or Tier 2 borrowers must submit an Initial Package on or before December 30, 2016.
- To be considered for an offer under Streamline HAMP on or after December 31, 2016, a homeowner must submit at least one component of the Loss Mitigation Application on or before December 30, 2016, and the servicer must not have already sent a Non-Approval Notice in response to such application.
 - A servicer may also make a Streamline HAMP offer after December 30, 2016 in response to a homeowner's oral request to be evaluated for a loss mitigation solution on or before December 30, 2016. Such offer can be made regardless of whether the homeowner has submitted at least one component of a Loss Mitigation Application and provided that the homeowner meets all eligible criteria and the servicer's Streamline HAMP Policy allows for oral requests.

The permanent Modification Effective Date for all HAMP modifications (whether Tier 1, Tier 2 or Streamline) must be on or before December 1, 2017.



HAMP

Borrower Solicitation and Reasonable Efforts

Updated Guidance Effective September 1, 2016

Effective September 1, 2016 servicers are no longer required to proactively solicit nor satisfy the Reasonable Effort standard with respect to borrowers who became eligible for HAMP after that date.

- Effective September 1, 2016, servicers are also no longer required to include references specific to MHA or MHA related programs, incentives, or MHA logos or branding in written solicitation materials sent to borrowers.
- Effective September 1, 2016, servicers are not required to send a second Initial Package communication to a borrower who does not submit any documents in response to the first communication.
- Effective September 1, 2016, servicers are also not required to satisfy the Reasonable Effort standard a second time or proactively solicit a borrower who has never had a TPP or permanent modification under HAMP, cures a delinquency or misses two or more payments.
- For borrowers who lose good standing on a HAMP Tier 1 permanent modification on or after September 1, 2016, servicers must proactively solicit those borrowers for all loss mitigation options.
- Servicers must retain references to the HOPE™ Hotline number on and after September 1, 2016 and, if requested by a borrower, provide the RMA, and if necessary, a Hardship Affidavit and Dodd-Frank Certification.

A borrower who submits an Initial Package on or before December 30, 2016 must be evaluated for HAMP, providing the borrower meets all applicable eligibility requirements.



HAMP

Borrower and Non-Approval Notices

Borrower Notices

- Servicers who have been in contact with a borrower but have not received the Initial Package on or before December 30, 2016 are no longer required to send a Borrower Notice informing the borrower that he or she cannot be considered for HAMP.
- Servicers must send such Borrower Notice if the servicer is in receipt of the Initial Package on or before December 30, 2016 but has determined that it will be unable to complete a permanent modification with a Modification Effective Date on or before December 1, 2017.

Non-Approval Notices

- Servicers are no longer required to list the NPV Data Input Fields and Values used in the NPV evaluation in the Non-Approval notice, provided negative NPV was not the reason for the denial.
- If the Non-Approval Notice does not contain the NPV Data Input Fields and Values, it must state that the NPV Data Input Fields and Values are available upon request.
- If negative NPV was the reason for the denial, servicers must include the NPV Data Input Fields and Values in the Non-Approval Notice.



HAMP

Suspension of Foreclosure

Suspension of Foreclosure Sale After Request for HAMP Consideration

Current Guidance:

- Foreclosure sales must be suspended for requests submitted for HAMP consideration no later than midnight of the seventh business day prior to a foreclosure sale date to evaluate the borrower for HAMP.
- Such requests for HAMP consideration must be in the form of an Initial Package or, if a Loss Mitigation Application is submitted, must include those items included in an Initial Package.
- Servicers are not required to suspend a foreclosure sale in order to evaluate a borrower for HAMP if:
 - A borrower received a permanent modification and lost good standing;
 - A borrower received a TPP offer and failed to make one or more payments under the TPP by the last day of the month in which it was due; or
 - A borrower was evaluated based upon an Initial Package and determined to be ineligible under HAMP requirements.

New Guidance: Servicers are not required to suspend a scheduled foreclosure sale if a borrower submits an Initial Package after December 30, 2016.



HAMP

Evaluation After a Streamline HAMP Offer

HAMP Evaluation Following a Streamline HAMP Offer

- On and after December 31, 2016, a servicer may, but is not required to consider a borrower for HAMP Tier 1 or HAMP Tier 2 if he or she submitted an initial package on or before December 30, 2016 and has either:
 - Already accepted a Streamline HAMP Offer; or
 - Has received a Streamline HAMP Offer that has not yet been accepted for which the acceptance period has not yet expired.



HAMP

Automatic Evaluation upon Trial Period Plan Default

Borrowers in Default

- For borrowers who default on a HAMP Tier 1 trial period plan on or after December 31, 2016, servicers may, but are not required to, automatically evaluate the borrower for HAMP Tier 2 within 30 calendar days of default prior to sending a Non-Approval Notice unless:
 - The servicer has reason to believe that the income documentation or property valuation used to provide a decision for the borrower is no longer accurate
 - If the information is no longer accurate, the servicer may not evaluate the borrower for HAMP Tier 2 and must note the reason in the mortgage file or servicing system.
- With respect to Streamline HAMP:
 - Servicers may extend Streamline HAMP offers to borrowers who default on a HAMP Tier 1 or HAMP Tier 2 trial period on or after December 31, 2016 if:
 - ✓ The servicer's decision to offer Streamline HAMP to such borrowers is in its Streamline HAMP Policy and;
 - ✓ The modification effective date is on or before December 1, 2017.



HAMP

Pre-Foreclosure Certification and Relationship Manager Affirmation

Amended Guidance for Pre-Foreclosure Certification:

- Foreclosure sales scheduled to take place after December 30, 2016 require neither a written pre-foreclosure certification nor an affirmation from the Relationship Manager indicating that all available loss mitigation options have been exhausted unless a Relationship Manager had been assigned prior to that date.
- If a relationship manager has been assigned prior to December 30, 2016, pre-foreclosure certification and affirmation will continue to be required until the later of:
 - The resolution of all applicable escalations; and
 - December 1, 2017.

After December 30, 2016 servicers are no longer required to assign relationship managers.



UP

Overview of UP Deadlines regarding Eligibility



In order to be eligible for UP, the borrower must:

- Submit a request on or before the date determined by the servicer and specified in the servicer's UP policy.

Servicers must:

- Offer the borrower a forbearance plan under UP on or before **December 30, 2016**.



Servicers may consider borrower for a proprietary forbearance plan in lieu of an UP forbearance plan, beginning **May 1, 2016**, or a date specified by the servicer.

- The date specified by the Servicer should not be sooner than May 1, 2016.

Borrowers who enter an UP forbearance plan after May 1, 2016 must be notified verbally or in writing of the loss mitigation options that may be available once the UP forbearance plan ends.



UP

Protection Against Unnecessary Foreclosure

Expanded Guidance for Proprietary Forbearance Plans

Servicers opting to consider borrowers for proprietary forbearance plans in lieu of an UP forbearance plan may not refer the loan to foreclosure or conduct a scheduled foreclosure sale:

- While the servicer evaluates the borrower for a proprietary forbearance plan;
- After the servicer mails an offer of a proprietary forbearance plan;
- During the initial proprietary forbearance plan; and
- Following a proprietary forbearance plan while the borrower is being evaluated for HAMP or HAFA.

These are the same foreclosure protections as applicable under UP.



UP

Consideration of Borrowers for HAMP

Amended Guidance after Forbearance

Servicers may not consider borrowers for HAMP who, on or after December 31, 2016:

- Complete an UP forbearance plan;
- Become re-employed; or
- Request to be considered for other loss mitigation alternatives.

Exceptions include borrowers who have submitted on or before December 30, 2016:

- An Initial Package (HAMP Tier 1 or Tier 2); or
- At least one component of a Loss Mitigation Application (Streamline HAMP).



HAFA

Overview of HAFA Deadlines regarding Eligibility



In order for a loan to be eligible for HAFA, the borrower must have submitted a request on or before a date determined by the servicer.

- The date determined by the servicer should not be earlier than **September 1, 2016**.



For all offers of HAFA, the servicer must send to the borrower on or before **December 30, 2016**:

- The short sale notice with pre-approval of HAFA short sale or DIL;
- Offer for DIL transaction; or
- Approval of executed sales contract.

The transaction closing date under HAFA must be on or before December 1, 2017.

Effective September 1, 2016, servicers are no longer required to proactively send notification of HAFA availability to potentially eligible borrowers.



HAFA

Amended Guidance

Pre-Determined Hardship

- Servicers are no longer required to obtain or assess the borrower's FICO score, provided the exclusion of the FICO is indicated in the servicer's HAFA Policy.

Short Sale Notice

- Pursuant to any extensions necessary to accommodate delays in obtaining any court or trustee approvals in connection with a Chapter 7 or Chapter 13 bankruptcy, the short sale notice, offer for DIL transaction or approval of an executed sales contract must be sent on or before **December 30, 2016**.
- The short sale notice also requires a fixed termination date, including any extension or its term be, no later than **December 1, 2017**.



2MP

Overview of 2MP Deadlines regarding Eligibility based on 1st lien match under HAMP



- To be eligible for 2MP, an Initial Package, or loan modification application for the corresponding 1st lien under HAMP must be submitted on or before **December 30, 2016**.
- Notification of match to a 1st lien under HAMP from BKFTS must be received on or before **March 31, 2017**.
 - *Servicers continue to be permitted to offer 2MP outside the Black Knight Matching process in certain circumstances.*
- Servicers should exercise good business judgement to offer 2MP modifications after March 31, 2017.
- The 2MP Modification Date and the date for any full or partial extinguishment must be on or before **December 1, 2017**.
- If a 2MP trial cannot be converted into a permanent modification on or before December 1, 2017, a proprietary option is encouraged.



2MP

Matching GSE Standard Modifications

2MP Offers based on GSE Standard Modifications

In order for a 2MP modification or extinguishment to be based on a match with a GSE Standard Modification, the servicer must have offered the borrower a 2MP trial, 2MP permanent modification or 2MP full or partial extinguishment on or before **December 30, 2016**.

Reinstatement of 2MP Based on Re-modification

In order for incentives on a 2MP modification to be reinstated as a result of a GSE Standard Modification, the permanent modification effective date of the GSE Standard Modification must be on or before **December 1, 2016**.

The related GSE Standard Modification must have a modification effective date on or before December 1, 2016.



2MP

Dismissal of Foreclosure Actions

Current Guidance

2MP servicers are required to dismiss any outstanding foreclosure action on the borrower's second lien if the borrower's corresponding first lien is modified under HAMP or a qualifying GSE Standard Modification.

Revised Guidance

After **March 31, 2017**, servicers are no longer required to dismiss any outstanding foreclosure action on the borrower's second lien, except where the first lien has been reported as permanently modified in a Black Knight match file on or before such date.



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Additional MHA Policy Updates

Borrower Escalations

Deadlines for MHA Help and HSC

- MHA Help and the HAMP Solution Center (HSC) will no longer accept new cases nor escalate new cases to servicers effective **December 1, 2017**.
- Servicers must consider borrowers for comparable solutions if servicer is unable to convert the borrower to a permanent modification, DIL, or Short Sale by **December 1, 2017**.
- Any escalated case must be resolved by **May 1, 2018**.



Additional MHA Policy Updates

Single Point of Contact

Relationship Managers

- After **December 30, 2016**, servicers are no longer required to assign relationship managers to borrowers.
- Any relationship manager who is assigned to a borrower on or before December 30, 2016 must fulfill all obligations until the later of:
 - Resolution of all applicable escalations, and
 - December 1, 2017.



Additional MHA Policy Updates

Federally Declared Disasters

FDD Forbearance Plans

- Requests for consideration and offers for an FDD forbearance plan must be requested on or before **December 30, 2016**.
- If the FDD forbearance plan begins on or after **September 1, 2016**, servicers must notify borrowers verbally or in writing that HAMP and/or 2MP may not be available after the FDD forbearance period ends.
- Servicers must make all offers of an FDD forbearance plan on or before December 30, 2016.



Additional MHA Policy Updates

Transfers of Eligible Loans to Non-SPA Servicers

Current Guidance

When a participating servicer transfers or assigns mortgage loans or servicing rights that constitute “Eligible Loans” pursuant to the SPA to Non-SPA servicer, the transferee servicer is required to execute an Assignment and Assumption Agreement (AAA).

Amended Guidance

For transfers or assignments with a transfer date on or after **September 1, 2016**, Non-SPA servicers are no longer required to execute the AAA for loans that, at the time of transfer, are not under consideration or in process under one or more of the MHA programs or in cases where the transferor servicer is not performing services under the SPA, regardless of delinquency. Such loans are not considered “Eligible Loans”.



Additional MHA Policy Updates

Reporting Guidelines

Incentive Compensation

- All transactions must be reported in the HAMP Reporting Tool before May 1, 2018 following the April 2018 reporting cycle;
- Incentives will only be paid for permanent modifications (including those paid with respect to GSE loans permanently modified under HAMP), partial extinguishments, full extinguishments, short sales and DILs **reported** before May 1, 2018;
 - Loan modification application for GSE HAMP must be submitted on or before December 30, 2016.
- Any permanent modification, partial or full extinguishment, short sale or DIL that is completed by December 1, 2017 but not reported before May 1, 2018 will receive no incentive payments and;
- For Non-GSE loans, the servicer must honor all terms associated with the transaction, including payment of incentives to the borrower, servicer or investor.

Credit Bureau Reporting

- Servicers are required to report a “full file” status report to the credit reporting agencies for each loan under the MHA programs.
- The detailed reporting requirements contained in the MHA Handbook have been removed.
- However, servicers are still required to comply with CDIA detailed reporting requirements, as they may be modified from time to time.



Additional MHA Policy Updates

Post Modification Counseling

Post Modification Counseling Requirements

- Servicers must continue to offer financial counseling to borrowers who are at risk of default and who meet eligibility criteria until the later of:
 - The sixth anniversary of the month in which the borrower's HAMP trial period plan effective date occurred and;
 - The final interest rate step-up for a modification under HAMP Tier 1.



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MHA Sunset Summary

MHA Program Key Sunset Deadlines

HAMP	UP	HAFA	2MP
<ul style="list-style-type: none"> • HAMP Tier 1 or HAMP Tier 2: Initial Package must be submitted by the borrower on or before December 30, 2016 • Streamline HAMP: for offers on or after December 31, 2016, borrower must have submitted one component of the Loss Mitigation Application on or before December 30, 2016. 	<ul style="list-style-type: none"> • Borrower must have submitted a request on or before a date determined by the servicer. • UP Forbearance Plan must be sent on or before December 30, 2016. • Effective May 1, 2016, servicers may begin to offer proprietary forbearance plans instead of UP. 	<ul style="list-style-type: none"> • Borrower must have submitted a request on or before a date determined by the servicer. • The servicer must have sent the borrower on or before December 30, 2016: <ul style="list-style-type: none"> • short sale notice containing the pre-approval of a HAFA short sale or DIL of foreclosure; • the offer of a DIL of foreclosure transaction; or • the approval of an executed sales contract for a short sale. 	<ul style="list-style-type: none"> • HAMP first lien: Initial Package must be submitted on or before December 30, 2016 to be eligible for 2MP consideration after that date. • GSE HAMP first lien: Loan modification application made by the borrower must be submitted on or before December 30, 2016 to be eligible for 2MP consideration after that date. • HAMP or GSE HAMP first liens: Servicer must receive notification of the 1st lien match on or before March 31, 2017 (via BKFS). • GSE Standard Modification first liens: The GSE Standard Modification must have a permanent modification effective date on or before December 1, 2016 and 2MP offer must be sent on or before December 30, 2016.

Note: For HAMP, HAFA and 2MP the latest permanent modification effective date and the latest closing date for modifications, transactions and extinguishments is **December 1, 2017**. All transactions must be reported before **May 1, 2018**.



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Additional Resources

Servicer Integration Team

HAMP_Integration_Team
@fanniemae.com

HAMP Solution Center

support@hmpadmin.com

www.HMPAdmin.com

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New PSA Urges Homeowners to Get Help
Get mortgage help. This is why. 888-995-HOPE

Connect with MHA on Social Media
LET'S GET SOCIAL! (Social media icons for YouTube, Twitter, Facebook)

Just for Partners: MHA Outreach Toolkit
OUTREACH TOOLKIT

Learn about our efforts to reach more struggling homeowners through our new PSA campaign.

Join the MHA conversation and follow us on Facebook, Twitter and YouTube.

Tweets by @MHA4You

Handbook for Servicers of Non-GSE Mortgages
Version 4.0
MAY 2015
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 **MAKING HOME AFFORDABLE**

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