

MHA Reason Codes and Descriptions

HAMP® Reason Codes

MHA Reason Code		Description	HAMP Tier 1 Not Offered Reason Code	Trial Not Approved/ Not Accepted Reason Code	Trial Fallout Reason Code
1	Ineligible Mortgage	<p>Loan is not eligible for modification under the MHA program because it does not meet one or more of the following basic program eligibility criteria:</p> <ul style="list-style-type: none"> • Mortgage loan must be a first lien mortgage loan originated on or before January 1, 2009. • Current unpaid principal balance (UPB) of the mortgage loan prior to capitalization must be no greater than \$729,750 for a one-unit property; \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; or \$1,403,400 for a four-unit property. • Mortgage loan has been charged off and borrower released from liability for repayment. 	✓	✓	
2	Current DTI Less than 31%	Under HAMP Tier 1, borrower's current monthly housing expense, which includes the monthly principal and interest payment on their first lien mortgage loan plus property taxes, hazard insurance and homeowner's dues (if any) is less than or equal to 31% of their gross monthly income (i.e. monthly income before taxes and other deductions).	✓	✓	
3	Property Not Owner Occupied	Loan is not eligible for modification under HAMP Tier 1 because the property secured by the mortgage loan is not occupied by the borrower as their primary residence.	✓	✓	
4	Other Ineligible Property - Property Condemned, Property > 4 units	<p>Loan is not eligible for modification under the MHA program because:</p> <ul style="list-style-type: none"> • The property secured by the mortgage loan is vacant (Tier 1 only), • The property is condemned or uninhabitable, or • The property has more than four dwelling units. 	✓	✓	

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5	Investor Guarantor Not Participating	Loan cannot be modified under the MHA program because the investor of the subject mortgage loan has not provided contractual authority to modify the loan; the private mortgage insurance company insuring the subject mortgage loan has not approved the modification; or the guarantor of the subject mortgage loan has not approved the modification.	✓	✓	
6	Court/Public Official Declined	Loan is not eligible for modification under the MHA program because proposed modified terms were not approved by a court or public official.	✓	✓	
7	Negative NPV	Loan is not eligible for modification under the MHA program because the result of the standardized Net Present Value (NPV) test is "negative" and the investor has not authorized different thresholds. The standardized NPV test compares the NPV result for a modification to the NPV result for no modification. If the NPV result for no modification is greater than NPV result for the modification scenario, the modification result is deemed "negative".	✓	✓	
8	Offer Not Accepted by Borrower / Request Withdrawn	Borrower withdrew their modification request for consideration for either a Trial Period Plan or HAMP Tier 1 or Tier 2 modification or did not accept either a Trial Period Plan or a HAMP Tier 1 or Tier 2 modification offer. Failure of borrower to make the first trial period payment in a timely manner is considered non-acceptance of the Trial Period Plan. Effective April 1, 2016, servicers should not use this code for borrowers who fail to sign the permanent modification agreement, but should use MHA Reason Code 32, Modification documents not returned by borrower.	✓	✓	✓
9	Default Not Imminent - Default Status Not Eligible	Loan is not eligible for modification under the MHA program because: <ul style="list-style-type: none"> For HAMP Tier 1 or owner-occupied HAMP Tier 2: The subject loan is not delinquent and default is not reasonably foreseeable. For rental property considered under HAMP Tier 2: The borrower has not missed two or more mortgage payments. 	✓	✓	
10	Property and/or Borrower Exceeds Allowable number of HAMP Modifications	Loan is not eligible for modification under the MHA program because the subject loan, borrower or co-borrower has received the maximum number of modifications permitted under the Home Affordable Modification Program.	✓	✓	
11	Loan Paid off	Loan is not eligible for modification under the MHA program because the subject loan was completely paid off and there is no longer a debt obligation.	✓	✓	✓

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12	Excessive Forbearance	Loan is not eligible for modification under HAMP Tier 1 because the principal forbearance required to achieve a payment of no more than 31% of the borrower's monthly income resulted in a forbearance amount that exceeds program guidelines.	✓	✓	
13	Request Incomplete	Borrower requested a modification under the MHA program but did not provide the documentation in a timely manner necessary for servicers to evaluate the borrower for HAMP Tier 1 or Tier 2. Servicers are required to provide the borrower with a notice listing all documents needed to complete the evaluation and dates by which the information must be received. If the borrower fails to provide all required verification documentation by the date provided, the servicer is unable to offer a modification. Effective April 1, 2016, servicers should not use this code for borrowers who fail to sign the permanent modification agreement, but should use MHA Reason Code 32, Modification documents not returned by borrower.	✓	✓	
14	Trial Plan Default	Borrower accepted a Trial Period Plan under the MHA program but failed to make all the trial period payments in accordance with the Trial Period Plan			✓
18	Submission Error Correction (incorrect transaction type)	A HAMP Trial or 2MP SM Modification was not initiated or a record already exists in the HAMP Reporting System with the most current data for this loan.	✓	✓	✓
19	Unemployment Forbearance Plan	Borrower accepted a Trial Period Plan under the MHA Program however prior to receiving a permanent modification has become unemployed and qualified for an unemployment forbearance program.	✓	✓	✓
20	Federally Declared Disaster	Borrower accepted a Trial Period Plan under the MHA program however prior to receiving a permanent modification has been affected by a Federally Declared Disaster that has qualified them for a forbearance period.	✓	✓	✓
21	Application Discrepancy	Borrower is in a Tier 1 or Tier 2 Trial Period Plan but there is a discrepancy in documentation that requires additional documentation, and borrower has not provided all the requested documentation to resolve the discrepancy. Trial Period Plan will be terminated if required documents are not received by the date set by the servicer. Borrower is under consideration for a Tier 1 or Tier 2 Trial Period Plan, but there is a discrepancy in the provided documentation and additional documentation is needed to complete the review of the loan. The request for modification will be considered withdrawn if documentation is not received by the date set by the servicer.	✓	✓	✓

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23	Waiver Cancellations	Servicer has been specifically granted permission to remove a loan from the HAMP Reporting System.			✓
24	Dodd Frank Certification Non-Compliance	Borrower did not meet the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act	✓	✓	✓
25	Ineligible Borrower	Borrower or a co-borrower own in excess of five single family properties exclusive of principal residence or the borrower of the loan or owner of the property is not a natural person, i.e., Corporation or LLC.	✓	✓	
26	Ineligible Rental Property	The property fails to satisfy the criteria of a rental property to receive a Home Affordable Modification because the property is a second home, is rented on a seasonal basis and not year-round, or the Rental Property Certification was not provided in the Request for Mortgage Assistance.		✓	
27	Insufficient Monthly Payment Reduction	Principal and interest payment of a potential modification cannot be reduced by the minimum standard defined for HAMP Tier 2 in the MHA Handbook.		✓	
28	Post-Modification DTI Outside Acceptable Range	Proposed modified monthly payment, which includes a modified monthly principal and interest payment on the first lien mortgage loan plus property taxes, hazard insurance premiums and homeowners dues (if any), is not within eligibility guidelines defined for HAMP Tier 2 in the MHA Handbook.		✓	
29	No Change in Circumstance	Borrower did not accept the offer of a Trial Period Plan or Home Affordable Modification; twelve months have not elapsed since borrower received a modification, and/or circumstances have not changed. Or borrower circumstances have not changed since previously being denied a Home Affordable Modification.	✓	✓	
30	Repurchase/Involuntary Transfer	<ul style="list-style-type: none"> The loan lost good standing or was paid off prior to the effective date of the repurchase. The loan was transferred to a transferee that is not currently a SPA servicer and does not intend to become a AAA servicer. 			✓
30	Streamline HAMP	Borrower was placed in a Streamline HAMP trial modification, subsequently submitted a complete package for a Tier 1 or Tier 2 evaluation, but was not offered a Tier 1 or Tier 2 modification.	✓		

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31	Other Permanent HAMP Modification	HAMP Trial was cancelled due to the borrower being approved for another HAMP modification.			✓
32	Modification documents not returned by borrower.	Borrower did not provide the required permanent modification documents in a timely manner and has defaulted on the Trial Period Plan as a result.			✓
33	Failure to meet Streamline HAMP eligibility	After acceptance of a Streamline HAMP Trial Period Plan offer, the borrower was not eligible for a Streamline HAMP permanent modification due to failure of any term or condition set forth in the Streamline HAMP Trial Period Plan or Streamline HAMP Documents.			✓

FHA-HAMP and RD-HAMP Loan Modification Fallout Reason Codes

MHA Reason Code		Description
1	Ineligible Mortgage	Loan is not eligible for modification under the MHA program because it does not meet one or more of the following basic program eligibility criteria: <ul style="list-style-type: none"> Mortgage loan must be a first lien mortgage loan originated on or before January 1, 2009. Current unpaid principal balance (UPB) of the mortgage loan prior to capitalization must be no greater than \$729,750 for a one-unit property; \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; or \$1,403,400 for a four-unit property. Mortgage loan has been charged off and borrower released from liability for repayment.
14	Trial Plan Default	Borrower accepted a Trial Period Plan under the MHA program but failed to make all the trial period payments in accordance with the Trial Period Plan
15	Data Correction	Servicer cancelled the modification in order to correct data.
16	Payor Request	The payor, which may be Treasury, Fannie Mae, or Freddie Mac, requested the modification be cancelled.
17	Compliance Request	MHA-Compliance requested the modification be cancelled.
18	Submission Error Correction (Incorrect Transaction Type)	A HAMP Trial or 2MP Modification was not initiated or a record already exists in the HAMP Reporting System with the most current data for this loan.

2MP Loan Modification Fallout Reason Codes

MHA Reason Code		Description
1	Ineligible Mortgage	<ul style="list-style-type: none"> Automatically assigned by the HAMP Reporting System whenever the corresponding first lien modification is cancelled, resulting in the cancellation of the 2MP modification. Servicer has been granted permission from MHA to cancel the loan from the HAMP Reporting System.

15	Data Correction	Servicer cancelled the modification in order to correct data.
16	Payor Request	The payor, which may be Treasury, Fannie Mae, or Freddie Mac, requested the modification be cancelled.
17	Compliance Request	MHA-Compliance requested the modification be cancelled.
18	Submission Error Correction (Incorrect Transaction Type)	A HAMP Trial or 2MP Modification was not initiated or a record already exists in the HAMP Reporting System with the most current data for this loan.

Short Sale or Deed-in-Lieu Cancellation Reason Codes

MHA Reason Code		Description
1	Agreement Expiration	The amount of time allowed for execution of the SS or DIL agreement has ended.
2	Agreement Termination	The SS or DIL agreement was terminated because the terms of the SS or DIL agreement were not adhered to.
3	Notification Cancellation	Servicer cancelled the SS or DIL notification because it was submitted in error or a correction was needed.
4	Loan Setup Cancellation	Servicer cancelled the SS or DIL payment request because it was submitted in error or a correction was needed.
5	Servicing Transfer of HAMP Loan	Servicer cancelled the SS or DIL setup because the related HAMP Modification is in the process of being transferred to another servicer.
6	Payment of HAMP Loan	Property is not eligible for a SS or DIL under the MHA Program because the subject loan was completely paid off and there is no longer a debt obligation.
7	Other	Servicer cancelled the SS or DIL for a reason not of a type previously described.