

## HAMP® Reporting System Servicer Release Preview

October 29, 2015

The Home Affordable Modification Program® (HAMP) Reporting System Servicer Release Preview provides an overview of the planned enhancements to the HAMP Reporting System, including the HAMP Reporting Tool. This release is scheduled for implementation on April 1, 2016. Additional information about the release, including detailed release notes, will be made available prior to the release.

This release will include functionality to support the following:

- [Supplemental Directive 15-06 \(SD 15-06\)](#) and [Supplemental Directive 15-07 \(SD 15-07\)](#) *Making Home Affordable® Program – Streamline HAMP Modification Process*
  - *Streamline HAMP Eligibility*
  - *Submission of Streamline HAMP Loan Setup Data*
  - *Streamline HAMP Additional Data Reporting Data*
  - *Streamline HAMP Official Monthly Reporting*
  - *Streamline HAMP Interactions With Other Modifications & Programs*
  - *Streamline HAMP Compensation*
  - *Streamline HAMP Servicing Transfers*
  - *Administrative Clarifications: Non-Approval Notices*
- [Supplemental Directive 15-08 \(SD 15-08\)](#) *Making Home Affordable® Program – Administrative Clarifications*
  - *HAMP Tier 2 Standard Modification Waterfall – Principal Forbearance Eligibility*
- New Servicing Transfer Reason Code for GSE Non-Performing Loan Sales
- Interface File Changes

### Streamlined Modification Process

Effective January 1, 2016, a new streamlined modification process will be implemented under HAMP (Streamline HAMP).

### Streamline HAMP Eligibility

- To be eligible for Streamline HAMP, the HAMP Reporting System will require that the loan must be at least 30 days delinquent at time of 1st Trial Payment Due Date.
- Investor Code (DD9) must be Private or Portfolio.
- Product After Modification (DD140) must be Fixed Rate.
- Property must be owner-occupied or investment, 1 to 4 units.
- Current Tier 1 and Tier 2 limits for Unpaid Principal Balance Before Modification (DD225) will apply to Streamline HAMP.

### Submission of Streamline HAMP Loan Setup Data

The Streamline HAMP Trial and Official Setup transaction will be structured similar to the 1<sup>st</sup> Lien setup transaction, but without borrower income or loan-level NPV data.

- The following borrower income related attributes will not be collected for Streamline HAMP upon Loan Setup:
  - Back Ratio After Modification (DD31)
  - Back Ratio Before Modification (DD32)
  - Front Ratio After Modification (DD76)
  - Front Ratio Before Modification (DD77)

- Monthly Debt Payments excluding PITIA (DD109)
  - Monthly Gross Income (DD110)
  - Monthly Gross Rental Income Amount (DD956)
  - Primary Residence Total Housing Expense Amount (DD958)
  - Principal and Interest Payment at 31% DTI (DD133)
  - Principal and Interest Payment at 38% DTI (DD134)
- The following NPV related attributes will not be collected for Streamline HAMP upon Loan Setup:
    - Interest Rate Lock Date for Modification (DD87)
    - NPV Model Result Amount Post-mod (DD120)
    - NPV Model Result Amount Pre-mod (DD121)
    - Principal Reduction Alternative (PRA) NPV Model Result Amount Post-mod (DD570)
    - Principal Reduction Alternative (PRA) NPV Model Result Amount Pre-mod (DD571)
  - **Borrower Execution Date (DD37)** – this attribute is optional on Streamline HAMP trial setup and is mandatory at official setup.
  - **Hardship Reason Code (DD78)** – a new ‘Data Not Available’ enumeration is added, as a hardship reason is not required to be provided on the Streamline HAMP Affidavit. Servicers should report this enumeration with regard to Streamline HAMP.
  - **NPV Date (DD119)** - definition updated for Streamline HAMP:
    - For Tier 1 and Tier 2: The date of the NPV submission used to determine trial modification eligibility. For Official Setup, this should be the same NPV Date reported for the trial modification setup.
    - For Streamline HAMP: The date the servicer determines the interest rate for the borrower’s Streamline HAMP modification terms. For Official Setup, this should be the same NPV Date reported for the trial modification setup.
- Note: The system will use value submitted to reference PMMS rate validation and HPDP calculations for Streamline HAMP.*
- **Tier 2 Investor Override Indicator (DD959)** is replaced with **Investor Override Indicator (DD1118)** to allow reporting of investor overrides on Streamline HAMP.
  - **Program Type/Campaign ID (DD10)** – a new ‘HMP30’ enumeration is added for Streamline HAMP. The loan must be at least 30 days delinquent at the time of the Streamline HAMP 1<sup>st</sup> Trial Payment Due Date.

### Streamline HAMP Additional Data Reporting Data

Servicers will submit an Additional Data Reporting transaction for Streamline HAMP loans without providing Schedule III (NPV) information.

- **Additional Data Reporting Type Code (DD967)** – a new ‘Streamline HAMP’ enumeration has been added for Streamline ADR submissions.
- **HAMP Tier 1 Not Offered Reason Code (DD987)** – a new ‘Streamline HAMP’ enumeration has been added for the reporting of a borrower that was placed in a Streamline HAMP trial modification, subsequently submitted a complete package for a Tier 1 or Tier 2 evaluation, but was denied for Tier 1 or Tier 2. The system shall also allow an optional and separate Tier 1/Tier 2 Not Approved/Not Accepted (NANA) submission if there exists an active Streamline HAMP modification, so long as the Modification Evaluation Date is prior to the Modification Effective Date of the Streamline HAMP.

- **Modification Evaluation Date (DD970)** - updated definition:  
For Tier 1 and Tier 2: The date that the loan was evaluated for the HAMP modification. If submitting NPV Data, this field must match the NPV Date.  
For Streamline HAMP: The date the servicer determines the interest rate for the borrower's Streamline HAMP modification terms.
- **NPV Model Type Code (DD122)** - Streamline HAMP submissions will use code 6. The enumeration description has been changed from 'NPV Data Not Available (Evidence Required in Loan File)' to 'NPV Data Not Available or Not Applicable'.
- **Trial Fallout Reason Code (DD217)** – new enumerations added:
  - 'Other Permanent HAMP Modification' - will allow a Streamline HAMP Trial to be cancelled for purposes of borrowers who are approved for a Tier 1 or Tier 2 modification during a Streamline HAMP Trial Period.
  - 'Modification Documents Not Returned by Borrower'- will allow servicers to cancel a trial in the event a borrower does not provide all the documentation necessary to convert to a permanent modification. This code will be accepted on Tier 1, Tier 2 and Streamline HAMP Trial modifications. Modifications canceled with this code will be counted towards the maximum of two modifications per loan and will not permit a new Trial to be reported for the same Program Type/Campaign ID (DD10).
  - 'Failure to Meet Streamline HAMP Eligibility'- will allow servicers to cancel Streamline HAMP trials when a borrower is not eligible for a Streamline HAMP permanent modification due to failure of any term or condition set forth in the Streamline HAMP TPP or Streamline HAMP Documents. Trial modifications canceled with this code will be counted towards the maximum of two modifications per loan. The value will only be accepted on Streamline HAMP Trial Cancel submissions.

### Streamline HAMP Official Monthly Reporting

Official Monthly Reporting will be accepted on Streamline HAMP loans.

- **Action Code (DD20)** – 2 new enumerations added:
  - 'Streamline HAMP Remodification' – reported when servicers withdraw a Tier 1 official modification because the borrower was remodified prior to loss of good standing into a Streamline HAMP. Streamline HAMP Remodification does not apply to Tier 2.
  - 'Tier 1 Remodification' – reported when servicers withdraw a Streamline HAMP official modification because the borrower was remodified prior to loss of good standing into a Tier 1 modification.

Servicers will use the existing 'Tier 2 Remodification' enumeration to withdraw a Streamline HAMP official modification because the borrower was remodified prior to loss of good standing into a Tier 2 modification.

### Streamline HAMP – Interactions with Other Modifications & Programs

Modifications on the Same Loan:

- Per SD 15-06, a borrower may not receive more than two permanent modifications or default on more than two trial period plans (or a combination of both) under HAMP on the same loan.
- The following modes/states will be counted towards the maximum limit of two modifications per loan:
  - Trial Disqualified (any tier/program)
  - Streamline Trial Cancel with a Trial Fallout Reason Code of 'Failure to Meet Streamline HAMP Eligibility'
  - Trial Cancel (any tier/program) with a Trial Fallout Reason Code of 'Modification Documents Not Returned by Borrower'
  - Official (any state, any tier/program)

- Tier 1 or Tier 2 modifications can be submitted if there is a Disqualified, Cancelled or Withdrawn Streamline HAMP trial or official modification as long as the modification limit has not been met.
- Streamline HAMP modifications can be submitted if there is a Disqualified, Cancelled or Withdrawn Tier 1 or Tier 2 as long as the modification limit has not been met.
- Streamline HAMP setup submissions will not be accepted on Streamline HAMP loans that are Disqualified, Withdrawn or Trial Cancelled with the 'Modification Documents Not Returned by Borrower' or 'Failure to Meet Streamline HAMP Eligibility' reason codes.

#### Modifications on Different Loans:

The existing rules which allow modifications on a total of six properties (including principal residence) will be applicable to Streamline HAMP.

#### Streamline HAMP and 2MP

- Per SD 15-06, first lien loans in trial period plans or permanent modifications under Streamline HAMP are not eligible for a matching second lien mortgage modification under 2MP.
- Streamline HAMP loan data will not be included in the 2MP match file.
- No incentive compensation will be paid under 2MP in connection with active Streamline HAMP modifications.
- 2MP modifications will be allowed to board if the most recent modification is a Streamline HAMP, as long as the 2MP Modification or Extinguishment Effective Date is prior to the 1st Trial Payment Due Date of the Streamline HAMP. There must also exist a previous GSE HAMP, Non-GSE HAMP or GSE Standard Modification which was in Active payment status at the time of the 2MP Modification or Extinguishment Effective Date.
- 2MP modifications will not be allowed to board if the most recent modification is a Streamline HAMP and the 2MP Modification or Extinguishment Effective Date is on after the 1st Trial Payment Due Date of the Streamline HAMP modification.
- Current rules and logic will apply in associating the 2MP to a GSE HAMP, Non-GSE HAMP or GSE Standard Modification if a Streamline HAMP modification also exists.

#### Streamline HAMP and HAFA

- Loans modified under Streamline HAMP modification will not be precluded from entering a HAFA.
- The current logic and rules for HAFA submissions when there exists a HAMP Tier 1 or Tier 2 modification will also apply to Streamline HAMP.

#### Streamline HAMP Compensation

The following compensations will apply to Streamline HAMP:

- Servicer Incentive Payment (Trial Period Plan Effective Date  $\geq$  4/1/2015)
  - $\leq$ 120 days delinquent at trial: \$2,000
  - 121 to 210 days delinquent at trial: \$1,600
  - $>$ 210 days delinquent at trial: \$1,200
- Monthly Reduction Cost Share Payment (Tier 2 calculation)  
Calculated at the lesser of 50% of: a) the difference between the Principal and Interest Payment Before Modification and Principal and Interest Payment After Modification or b) 15% of the Principal and Interest Payment Before Modification.
- Year Six Borrower Pay-For-Performance Payment - \$5,000 paid at 6th anniversary of 1st Trial Payment Due Date.
- Investor Home Price Decline Protection (HPDP) Incentive Payment - existing calculations for Tier 1 & Tier 2 will apply.

- Principal Reduction Alternative (PRA) Investor Incentive Payment - existing calculations for Tier 1 & Tier 2 will apply.

### **Streamline HAMP Servicing Transfers**

- Servicing Transfer functionality will be available for Streamline HAMP modifications.
- The current logic and rules for existing HAMP Tier 1 and Tier 2 modifications will apply to Streamline HAMP.

### **HAMP Tier 2 Standard Modification Waterfall – Principal Forbearance Eligibility**

Principal Forbearance of the Tier 2 Standard Modification Waterfall is currently applied if the loan's pre-modification mark-to-market loan-to-value (LTV) ratio is greater than 115 percent. Beginning January 1, 2016, the NPV model will use the estimated post-capitalization mark-to-market LTV ratio to calculate principal forbearance eligibility

### **New Servicing Transfer Reason Code for GSE Non-Performing Loan Sales**

In order to facilitate servicing transfers of GSE non-performing loan sales, a new 'Non-Performing Loan Sale' SVT Transfer Reason Code enumeration is being added.

- The Transferor Loan Number must be prepended with "NPL" when submitting with this new code.
- Investor Code must be Private or Portfolio.

Servicers are encouraged to refer to the Data Dictionaries on [HMPAdmin.com](http://HMPAdmin.com) for the full list of attributes, definitions, and associated edits that are changing or being added with this release.

### **Interface File Changes**

**BPS003 Streamline HAMP** – new interface containing Streamline HAMP loan data will be sent to servicers

#### **BPS003 1MP Master Servicer Loan Level Reconciliation Interface to Servicers**

- Associated Streamline HAMP Modification Financial Asset Identifier – new attribute added
- Official Withdrawn Reason Code – new enumeration of 'Streamline HAMP Remodification' added
- Payment String – Action Code – new 'Streamline HAMP Remodification' enumeration added

#### **BPS003 Tier 2 Master Servicer Loan Level Reconciliation Interface to Servicers**

- Associated Modification Financial Asset Identifier – attribute name changed to 'Associated Tier 1 Modification Financial Asset Identifier'
- Associated Streamline HAMP Modification Financial Asset Identifier – new attribute added
- Tier 2 Investor Override Indicator – name changed to 'Investor Override Indicator'

#### **OBE.10.1 Cash Payment by Contract Servicer**

- Program – new '1MP-Streamline HAMP' enumeration added
- Payment Type – new 'Streamline HAMP Servicer Incentive Payment', 'Streamline HAMP Monthly Reduction Cost Share Payment', 'Streamline HAMP HPDP Investor Incentive Payment', 'Streamline HAMP Principal Reduction Investor Payment' and 'Streamline HAMP Borrower Sixth Year Bonus Payment' enumerations added

#### **BPS016 Disqualified Loans Interface**

- Program Type/Campaign ID Code and Name – new 'HMP30 - Streamline HAMP' enumeration added



### **BPS017 Missing OMRs Interface**

- Program Type/Campaign ID Code and Name – new ‘HMP30 - Streamline HAMP’ enumeration added

### **BPS024 Servicing Transfer (SVT) Concurrence Interface to Servicers**

- Transferee Official Withdrawn Reason – new ‘Streamline HAMP Remodification’ and ‘Tier 1 Remodification’ enumerations added
- Transferor Official Withdrawn Reason – new ‘Streamline HAMP Remodification’ and ‘Tier 1 Remodification’ enumerations added
- SVT Transfer Reason – new ‘Non-Performing Loan Sale’ enumeration added

### **BPS025 SVT Reconciliation Interface to Servicers**

- SVT Transfer Reason – new ‘Non-Performing Loan Sale’ enumeration added

### **Support**

For more information or questions regarding this release preview, contact the HAMP Solution Center at 1-866-939-4469; to reach Black Knight select option 1, and then select option 5. You may also contact your HAMP Servicer Integration Team (SIT) Lead.