

HAMP® Reporting System Servicer Release Notes

June 25, 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 September 1, 2015. 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 14-05 (SD 14-05) Making Home Affordable® Program – MHA Program Updates
 - Enhancement of Borrower “Pay for Performance” Incentives under HAMP, Treasury FHA-HAMP and RD-HAMP
 - Recast of Loans Modified Under HAMP
- Supplemental Directive 15-01 (SD 15-01) Making Home Affordable® Program – MHA Program Updates.
 - Dodd-Frank Certification Reporting for GSE Loans
- Supplemental Directive 15-02 (SD 15-02) Making Home Affordable® Program – Administrative Clarifications.
 - Servicer Incentive Increase for Completed Modifications
- Clarifications for GSE Repurchase Reporting
- Extension of Non-GSE HAMP, GSE-HAMP, 2MP, Treasury FHA-HAMP, RD-HAMP and HAFA Programs
- Updates to Treasury FHA-HAMP & RD-HAMP Reporting Edits
- Interface File Changes

Enhancement of Borrower “Pay for Performance” Incentives under HAMP, Treasury FHA-HAMP and RD-HAMP

Supplemental Directive 14-05 provides that the HAMP Tier 1 pay for performance principal balance reduction payment is extended for one year and increased by \$5,000 in year six. In addition, borrowers in HAMP Tier 2 permanent modifications will earn a one-time “pay for performance” principal balance reduction payment of \$5,000 in year six. The incentive will be paid on HAMP (Tier 1 and Tier 2), GSE-HAMP, RD-HAMP and Treasury FHA-HAMP loans.

Eligibility

- The borrower must be in good standing (i.e., less than 90 days delinquent) in the month of the sixth anniversary of the 1st Trial Payment Due Date (DD17) in order to be eligible.
- Requires receipt of an executed Dodd-Frank Certification or Fannie Mae/Freddie Mac Form 720, Real Estate Fraud Certification Form (collectively, Dodd-Frank Certification) from the borrower by the later of the sixth anniversary of the 1st Trial Payment Due Date or September 1, 2015.
- For all Non-GSE modifications, reporting for receipt of the Dodd-Frank Certification is not applicable, as servicers are required to obtain the certification before initiating a Trial Period Plan.
- For all GSE-HAMP modifications, the servicer must report the receipt of the Dodd-Frank Certification to the HAMP Reporting Tool.

Recast of Loans Modified Under HAMP

Supplemental Directive 14-05 provides that, effective September 1, 2015, servicers can report the re-amortization or “recast” of an eligible HAMP Tier 1 or HAMP Tier 2 borrower’s unpaid principal balance (excluding deferred principal) over the remaining term of the loan after the sixth anniversary of the 1st Trial Payment Due Date (DD17).

Servicers will report the recast through the Official Monthly Report (OMR) by providing the Recast Reporting Type Code (DD1090) with a value of ‘1. Recast’ along with the Recast Effective Date (DD1091), Monthly Principal and Interest With Recast (DD1093) and Monthly Principal and Interest Without Recast (DD1089) attributes.

- Recast Effective Date (DD1091) is the effective date of the new Principal and Interest payment as a result of the mortgage recast. This must be after the sixth anniversary of the loan’s 1st Trial Payment Due Date.
- Monthly Principal and Interest With Recast (DD1093) is the new Principal and Interest payment as a result of the recast as of the Recast Effective Date.
- Monthly Principal and Interest Without Recast (DD1089) is the Principal and Interest payment that would have been due as of the Recast Effective Date if the recast had not been performed.

The recast should be performed after the year six borrower incentive has been applied to the borrower’s outstanding principal balance.

Servicers can clear erroneously reported Recast information by reporting the Recast Reporting Type Code (DD1090) with a value of ‘2. Recast Reported in Error’.

Example:

A mortgage recast is performed on a loan with a 1st Trial Payment Due Date of 7/1/2010 after the Year Six Borrower Pay-For-Performance Payment incentive is applied (7/1/2016). The servicer can report the recast of the loan on or after the Recast Effective Date .

- Recast Reporting Type Code = 1 - Recast
- Recast Effective Date = 9/1/2016
- Monthly P&I With Recast = \$900 (New monthly P&I payment due as of 9/1/2016).
- Monthly P&I Without Recast = \$1,000 (Monthly P&I due on 9/1/2016 if the servicer had not performed a recast).

Dodd-Frank Certification Reporting for GSE Loans

The year six borrower incentive will be available in the HAMP Reporting System on September 1, 2015. In order for GSE-HAMP loans to receive the incentive, the borrower(s) must execute a Dodd-Frank Certification on or before the sixth anniversary of the loan’s 1st Trial Payment Due Date (DD17).

For GSE-HAMP loans, servicers will report the receipt of the executed Dodd-Frank Certification by reporting the Dodd-Frank Certification Received Type Code (DD1095) with a value of ‘1. Dodd-Frank Certification Received’ in the OMR, along with the Dodd-Frank Certification Signature Date (DD1117).

- The reported Dodd-Frank Certification Signature Date must be on or before the sixth anniversary of the loan’s 1st Trial Payment Due Date.
- For loans where the servicer reports the Dodd-Frank Certification information on or before the sixth anniversary of the loan’s 1st Trial Payment Due Date, the incentive will be paid in the month of the sixth anniversary.

- For loans where the servicer reports Dodd-Frank Certification information after the sixth anniversary of the loan's 1st Trial Payment Due Date, the incentive will be paid in the month the information is reported.
- For loans that reach the sixth anniversary of the 1st Trial Payment Due Date prior to September 1, 2015, borrowers will have until that date to execute the Dodd-Frank Certification.
- Servicers can clear erroneously reported Dodd-Frank Certification information by reporting the Dodd-Frank Certification Received Type Code (DD1095) with a value of '2. Dodd-Frank Certification Reported in Error' in the OMR.
- Dodd-Frank Certification reporting will not be accepted on non-GSE HAMP, RD-HAMP and Treasury FHA-HAMP loans.
- Dodd-Frank Certification reporting needs to be reported only once in an OMR submission. It is not required in every OMR after initial submission.
- For GSE modifications that both reach the Sixth Anniversary of the 1st Trial Payment Due Date and experience an End of Compensation Life reporting event (Disqualification/Payoff/Withdrawal) prior to September 1st 2015, the reporting of such event should be withheld until on or after September 1st 2015. This will allow for the reporting the Dodd-Frank Certification information on the loan.

Example:

A GSE-HAMP loan has a 1st Trial Payment Due Date (DD17) of July 1, 2010. The Borrower(s) must execute the Dodd-Frank Certification by July 1, 2016. If the Dodd-Frank Certification information is reported by the servicer on or before the sixth anniversary of the loan's 1st Trial Payment Due Date, the incentive will be disbursed in the sixth year anniversary month. If the Dodd-Frank Certification information is reported by the servicer after the sixth anniversary, the incentive will be paid in the reporting month in which the information is reported.

Upon implementation, a one-time adjustment payment will be made to "true-up" the year six borrower incentive on all non-GSE permanent modifications in the HAMP Reporting System that have already reached their sixth year anniversary in good standing.

Servicer Incentive Increase for Completed Modifications

Supplemental Directive 15-02 provides that for all non-GSE HAMP permanent modifications with a trial period plan effective date on or after April 1, 2015, the servicer incentive is increased from \$800 to \$1200 for all loans greater than 210 days delinquent as of the trial period plan effective date.

Upon implementation, a one-time adjustment payment will be made to "true-up" the servicer incentive payment on all non-GSE permanent modifications in the HAMP Reporting System with a trial period plan effective date on or after April 1, 2015 that are greater than 210 days delinquent as of the trial period plan effective date.

Clarifications for GSE Repurchase Reporting

- Effective September 1, 2015, GSE repurchase reporting processes to update the Investor Code (DD9) and Repurchase Type Code (DD1003) in the HAMP Reporting Tool have been extended through the sixth anniversary of the 1st Trial Payment Due Date. The Repurchase Type Code (DD1003) enumeration of '2. Repurchased during the first five years of a Permanent GSE HAMP Modification Term' will be renamed to '2. Repurchased Within 6 Years of 1st Trial Payment Due Date'.
- GSE Repurchases that occur past the sixth anniversary of the 1st Trial Payment Due Date (DD17) should be withdrawn via the OMR. Servicers should postpone reporting the Action Code to withdraw loans due to a GSE repurchase until after they have reached the sixth anniversary of the 1st Trial Payment Due Date in order for the additional year six borrower incentive to be paid. The Action Code (DD20) enumeration of '64. GSE Repurchase After Initial Modification Term' will be renamed to '64. GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'.

Extension of Non-GSE HAMP, GSE-HAMP, 2MP, Treasury FHA-HAMP, RD-HAMP and HAFA Programs

- Non-GSE HAMP, GSE-HAMP, Treasury FHA-HAMP, RD-HAMP, 2MP and HAFA programs, as well as Additional Data Reporting, will be extended by one year.
- Non-GSE HAMP, GSE-HAMP, Treasury FHA-HAMP and RD-HAMP submissions must have a Modification Effective Date (DD105) on or before September 30, 2017.
- 2MP submissions must have a Modification or Extinguishment Effective Date (DD107) on or before September 30, 2017.
- Additional Data Reporting submissions must have a Modification Evaluation Date (DD970) on before September 30, 2017.
- HAFA submissions must have a Transaction Closing Date (DD216) on or before September 30, 2017.

Updates to Treasury FHA-HAMP & RD-HAMP Reporting Edits

- Edit updates to support reporting of Treasury FHA-HAMP and RD-HAMP modifications on a primary residence for borrowers with Tier 2 modifications on investment properties will be available. Borrowers will continue to be limited to a total of five Tier 2 modifications in the HAMP system in addition to the Treasury FHA-HAMP or RD-HAMP loan on their primary residence.

Interface File Changes

BPS003 1MP Master Servicer Loan Level Reconciliation Interface to Servicers

- Borrower Sixth Year Bonus Payment Amount (DD1094) - new attribute added
- Borrower Sixth Year Bonus Payment Cumulative Net Disbursement Amount (DD288) - new attribute added
- Borrower Sixth Year Bonus Payment Effective Date (DD1109) - new attribute added
- Disbursement Suspense String - added new enumeration to Compensation Type Code Suspended (DD285): '22. Borrower Sixth Year Bonus Payment'
- Dodd-Frank Certification Signature Date (DD1117) - new attribute added
- Dodd-Frank Certification Received Status Code (DD1096) - new attribute added
- Dodd-Frank Certification Received Status Name (DD1096) - new attribute added
- Monthly Principal and Interest With Recast (DD1093) - new attribute added
- Monthly Principal and Interest Without Recast (DD1089) - new attribute added
- Official Withdrawn Reason Code and Name (DD1077) - updated enumeration 2 to 'GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'
- Payment String - Action Code (DD20) - updated enumeration 64 to 'GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'
- Recast Effective Date (DD1091) - new attribute added
- Recast Status Type Code (DD1092) - new attribute added
- Recast Status Type Name (DD1092) - new attribute added
- Repurchase Type Code and Name (DD1003) updated enumeration 2 to 'Repurchased Within 6 Years of 1st Trial Payment Due Date'

BPS003 - 2MP Master Servicer Loan Level Reconciliation Interface to Servicers

- Official Withdrawn Reason Code and Name (DD1077) – removed enumeration '2. GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'

BPS003 Tier 2 Master Servicer Loan Level Reconciliation Interface to Servicers

- Borrower Sixth Year Bonus Payment Amount (DD1094) - new attribute added
- Borrower Sixth Year Bonus Payment Cumulative Net Disbursement Amount (DD288) - new attribute added

- Borrower Sixth Year Bonus Payment Effective Date (DD1109) - new attribute added
- Disbursement Suspense String - Compensation Type Code Suspended (DD285) - added new enumeration '23. Tier 2 Borrower Sixth Year Bonus Payment'
- Monthly Principal and Interest With Recast (DD1093) - new attribute added
- Monthly Principal and Interest Without Recast (DD1089) - new attribute added
- Official Withdrawn Reason Code and Name (DD1077) – removed enumeration '2. GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'
- Recast Effective Date (DD1091) - new attribute added
- Recast Status Type Code (DD1092) - new attribute added
- Recast Status Type Name (DD1092) - new attribute added

BPS024 Servicing Transfer (SVT) Concurrence Interface to Servicers

- SVT Transfer Reason (DD1037) - new attribute added
- Transferee Official Withdrawn Reason Code (DD1077) - updated enumeration 2 to 'GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'
- Transferor Official Withdrawn Reason Code (DD1077) - updated enumeration 2 to 'GSE Repurchase After 6th Anniversary of 1st Trial Payment Due Date'

BPS025 Servicing Transfer (SVT) Reconciliation Interface to Servicers

- SVT Transfer Reason Code (DD1037) - new attribute added

Cash Payment by Contract Servicer (OBE.10.1)

- Will now include payments for Borrower Sixth Year Bonus compensation on Non-GSE loans and GSE loans (where Treasury is the Payor of the compensation)
- New Payment Types of 'Borrower Sixth Year Bonus Payment' and 'Tier 2 Borrower Sixth Year Bonus Payment' added
- Program attribute will display as '1MP-GSE' for GSE first lien loans

Servicers are encouraged to refer to the Data Dictionaries on HMPadmin.com for the full list of attributes, definitions, and associated edits that are changing or being added with this release.

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.