

## HAMP Reporting System Servicer Release Notes

January 5, 2012

On Monday, January 30, 2012, the HAMP Reporting System, including the HAMP Reporting Tool, will receive an update to support the following:

### 1. Servicer Compensation Changes

Effective October 1, 2011, servicer compensation for permanent modifications under HAMP was changed to a tiered structure tied to the trial period plan effective date and the number of days delinquent the mortgage loan was as of the effective date of the trial period plan (TPP Effective Date). The details of the incentive structure for servicer modification incentives can be found in the [MHA Compensation Matrix](#) on HMPadmin.com and the most recent version of the *Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages Version 3.4 (Handbook)*.

In determining the number of days delinquent as of the TPP Effective Date, loans with a due date on the first day of the month are deemed delinquent if a payment has not been received by the end of the month in which it is due. Loans with due dates on any day other than the first of the month (odd due date loans) cannot be conclusively known to have missed the next payment due as of the last day of the month prior to the TPP Effective Date, so that a payment is not considered delinquent if it is not paid by the end of such month. Please note that the Program Administrator received confirmation from Fannie Mae and Freddie Mac (GSEs) that the foregoing methodology for the number of days delinquent as of the TPP Effective Date aligns with the methodology used by the GSEs.

The updated payment process will be implemented with the release. The Program Administrator will make a one-time adjustment payment to servicers to 'true-up' the modification servicer incentive payment for modifications with TPP Effective Dates on or after October 1, 2011 through the date of implementation of the release. This adjustment may result in an additional payment of incentives earned or a recovery of excess incentive payments made.

The compensation changes apply only to those HAMP modifications with a program type code of HMP1 (HMP Default), HMP2 (HMP Imminent Default) and HMP7 (Current). Treasury FHA-HAMP, RD-HAMP, HAFA, and 2MP programs are excluded.

### 2. Second Lien Program Updates

Effective June 1, 2011, 2MP incentives will be paid under three different scenarios:

**Scenario 1** - The HAMP Reporting System will allow servicers to report 2MP full extinguishments and servicers will receive applicable incentives regardless of the current associated HAMP loan status, provided the applicable HAMP loan was in the system. Although the HAMP Reporting System will disburse these incentives, such payments may be recovered if servicers and investors are not entitled to this incentive compensation under the policy, the details of which can be found in Chapter V, Sec 11 of the *MHA Handbook*.

**Scenario 2** - The HAMP Reporting System will allow servicers to report 2MP official or partial extinguishment loan setups after the associated HAMP loan either lost good standing or was paid off, as long as the 2MP modification effective or extinguishment date is *before* the HAMP loss of good standing or paid off date.

**Scenario 3** - One-time incentive payment already disbursed to servicers for 2MP official modifications, partial and full extinguishments will NOT be recovered if the associated HAMP loan is paid off or disqualified prior to the 2MP modification effective or extinguishment date. This applies when the associated HAMP pay off or disqualification is reported late.

New edits will be added and existing edits for 2MP official modification, partial and full extinguishment and 2OMR processing will be updated.

### 3. Updated Data Quality Edits

As part of the ongoing effort to enforce data quality, updates to existing rules will be implemented with this release. The following data dictionaries have been updated:

- HAFA Data Dictionary
- 2MP Data Dictionary

It should be noted that the following edits have been added to 2MP:

- **Hard Stop on 2MP Official Setup**  
2LIR-187: The modification or extinguishment effective date (DD107) on the submitted 2MP loan setup must be prior to the loss of good standing or paid off date of the corresponding 1MP modification.
- **Hard Stop on 2MP Partial Extinguishment Setup**  
2PEXLIR-191: The modification or extinguishment effective date (DD107) on the submitted 2MP loan setup must be prior to the loss of good standing or paid off date of the corresponding 1MP modification.
- **Warning on 2MP Full Extinguishment**  
2EXTLIR-164: First lien HAMP servicer number (DD8) and servicer loan number (DD14) provided on a 2MP full extinguishment transaction must not match an existing HAMP servicer number and servicer loan number (DD14) combination that is currently a trial.
- **Warning on 2MP Full Extinguishment**  
2EXTLIR-165: The modification or extinguishment effective date (DD107) on the submitted 2MP full extinguishment transaction must be prior to the loss of good standing or paid off date of the corresponding 1MP modification.
- **Warning on 2MP Full Extinguishment**  
2EXTLIR-166: HAMP servicer number (DD8) and servicer loan number (DD14) provided on a 2MP full extinguishment transaction must not match an existing HAMP servicer number and servicer loan number combination that is currently a request with a “not approved/not accepted” reason code that was “trial” at any time.

Servicers are encouraged to review the referenced program-related data dictionary on [HMPAdmin.com](http://HMPAdmin.com). Refer to the **Current Change Log** tab in each document for updates and changes resulting from this release.

### Related Link

[Operational Reporting Calendar 2012](#)



## **Support**

For more information or questions regarding these release notes, contact the HAMP Solution Center at 1-866-939-4469; to reach Lender Processing Services, Inc. (LPS), select option 1, and then select option 5. You may also contact your HAMP Servicer Integration Team (SIT) Lead.