HAMP Reporting Tool Servicer Release Notes

March 30, 2012

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

1. **Principal Reduction Alternative (PRA) Compensation Changes**

Supplemental Directive (SD) 12-01: Making Home Affordable Program – Principal Reduction Alternative and Second Lien Modification Program Investor Incentives Update included changes to investor compensation for Principal Reduction Alternative (PRA) incentives for permanent modifications under HAMP. The change is applicable to all PRA permanent modifications with a trial period plan effective date on or after March 1, 2012. The details of the structure for PRA investor modification compensation changes can be found in the MHA Compensation Matrix on HMPadmin.com and in SD 12-01.

The PRA investor compensation changes apply only to those HAMP modifications including PRA with a program type code of HMP1, HMP2 and HMP7 where the PRA Code equals 2 (PRA waterfall incented forgiveness) and the 1st Trial Payment Due Date is on or after March 1, 2012.

2. **Changes to Amount Capitalized for PRA and Second Lien (2MP) Modifications**

The system will be updated to allow servicers to report zero or negative values for the Amount Capitalized attribute for PRA and Second Lien Modification Program (2MP). This change is concurrent with the guidance previously provided to servicers indicating that the Amount Capitalized attribute should consist of delinquent interest and/or accrued interest payments (if not waived) due from the LPI date through the Official Modification Effective Date, plus escrow or advances paid to third parties, minus any amounts remaining in borrower suspense funds.

To support this change, the 1MP LIR-366, 2MP 2LIR-55 and 2PEXLIR-53 edits have been removed to allow for zero or negative values for Amount Capitalized. These edits all enforce the same logic: Amount Capitalized, if provided, must be greater than $0.

In addition, LIR-355 has been modified to change the MTMLTV Amount (DD701) floor from 105% to 100%. However, PRA Compensation is not paid if the Pre-Mod Post-Arrearage MTMLTV is less than 105%.

LIR-355: If PRA Code (DD592) is 2, the Post-Arrearage MTMLTV Amount (DD701) must be > 100%.

3. **Changes to Borrower Contributions for PRA Modifications**

The system will be updated to support a change to the Borrower Contributions attribute for HAMP modifications that have PRA applied. The definition for Borrower Contributions will be changed for HAMP modification including PRA to reflect any amounts contributed by the borrower or on behalf of the borrower, which includes any amounts applied to the pre-modification UPB during the trial period.

4. **Additional System Edit for PRA Modifications**

In conjunction with the changes mentioned above with respect to the Amount Capitalized and Borrower Contributions attributes, the following new system edit has been added to validate the information under the attribute UPB After Modification for HAMP modifications that have PRA applied.

LIR-423: If Program Type/Campaign ID (DD10) is HMP1, HMP2 or HMP7, UPB After Modification (DD222) must equal, within a plus or minus $1.00 tolerance, (UPB Before Modification (DD225) + Amount Capitalized (DD27), if it exists) - (Borrower Contributions (DD33), if it exists) - (Principal Write-Down (Forgiveness) (DD139), if it exists + Principal Forbearance (DD136), if it exists) if Principal Reduction Alternative Code (DD592) is (2) PRA waterfall - incented forgiveness or (3) PRA waterfall - non-incented forgiveness.

The following Data Dictionaries have been updated:

- HAMP Data Dictionary
- 2MP Data Dictionary
- FHA-HAMP Data Dictionary
- RD-HAMP Data Dictionary
- HAFA Data Dictionary
- Additional Data Requirements Data Dictionary

5. **HAMP Trial and Official Loan Setup File Schema Update**

In conjunction with changes to Amount Capitalized that will allow for zero or negative values, a new Trial and Official loan setup schema is available for servicers that need to report negative values for Amount Capitalized.

Servicers are encouraged to review the referenced program-related data dictionary and file formats on HMPadmin.com (log in required for file format). Refer to the **Current Change Log** tab in each document for updates and changes resulting from this release.

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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.