

HAMP® Reporting System Servicer Release Notes

November 25, 2014

The Home Affordable Modification Program® (HAMP) Reporting System Servicer Release Notes provides an overview of the planned enhancements to the HAMP Reporting System, including the HAMP Reporting Tool. This release is scheduled for implementation on February 2, 2015.

This release will include functionality to support the following:

- [Supplemental Directive 14-03 \(SD 14-03\)](#) Making Home Affordable® Program - Administrative Clarifications - Consideration of HAMP Loans Prior to Loss of Good Standing
- Reporting of Tier 2 Remodifications
- Home Affordable Foreclosure Alternatives® (HAFA) Loan Setup Corrections
- [Supplemental Directive 14-04 \(SD 14-04\)](#) Making Home Affordable® Program - HAFA Borrower Relocation Assistance
- [Supplemental Directive 14-04 \(SD 14-04\)](#) Making Home Affordable® Program - HAFA Investor Reimbursement of Subordinate Lien Releases
- HAFA Policy Alignment Edit Changes
- Elimination of the 10% Monthly Payment Reduction Requirement for Tier 2 and GSE Standard Modifications
- Lender Processing Services Rebranding
- Interface File Changes and Edit Updates

Remodification of HAMP Withdrawn Loans

Supplemental Directive [14-03](#) provided that a loan permanently modified under HAMP can be re-modified if either the borrower has experienced a change in circumstance or at least twelve months have passed since the HAMP Modification Effective Date.

Specifically, a loan permanently modified under HAMP Tier 1 may be eligible to receive a HAMP Tier 2 modification prior to the loss of good standing. Servicers shall evaluate the eligibility of the Tier 1 modification for a Tier 2. If the loan is approved and the borrower accepts the Tier 2 modification, the servicer shall report as follows:

- Withdraw the HAMP Tier 1 Official Modification via an Official Monthly Reporting transaction with the new Action Code of Tier 2 Remodification (Action Code 65). The system will then accept a new Tier 2 Trial or Official loan setup for the loan.
- Withdrawn reporting using the Action Code of Tier 2 Remodification (Action Code 65) shall be completed only if the loan is approved and the borrower accepts the Tier 2 modification. Non-Approval (NANA) Additional Data Reporting (ADR) transactions shall not be reported subsequent to this action.

Servicers will have the ability to report Tier 2 modifications for non-GSE HAMP Tier 1 Official loans that have been withdrawn for the following reasons:

- 1 - Proprietary Remodification
- 2 - GSE Repurchase After Initial Modification Term
- 6 – Tier 2 Remodification

Additional Data Reporting (ADR) Schedule 3 has been updated for the Occupancy Eligibility Type Code (DD957) enumeration of 4 to Owner Occupied Failed HAMP / Owner Occupied Tier 2 Remodification.

In addition, second lien servicers may report second lien modifications matching to a first lien Tier 2 Remodification. Second lien Active Non-Payment modifications associated with a Tier 2 Remodification will automatically reinstate to Active Payment. These second liens will appear on the Missing OMRs report if 2MP OMR reporting is not resumed by the second lien servicer. Reinstated second liens will resume compensation once 2MP OMR reporting resumes.

Reporting of Tier 2 Remodifications

Upon system implementation on February 2, 2015, Tier 2 modifications initiated from the evaluation of a Tier 1 modification in good standing on or after July 1, 2014 should be reported as follows:

- In Official Monthly Reporting (OMR) servicers must withdraw the Tier 1 loan using Action Code (65.) Tier 2 Remodification
- The following month servicers should submit a Tier 2 Trial Setup
- After submission of the Tier 2 Official setup, servicers may commence Official Monthly Reporting for the Tier 2 modification
- The HAMP Tier 1 Not Offered Reason Code of (10) Property and/or Borrower Exceeds Allowed Number of HAMP Modifications should be used when reporting the required ADR data for the Tier 2 modification

HAFAs Loan Setup Corrections

Servicers will have the ability to submit corrections to existing HAFAs Short Sale or Deed-In-Lieu Loan Setup transactions. A new Submission Status code (DD210) of (12) HAFAs Loan Setup Correction will be added to the HAFAs Short Sale and Deed-In-Lieu transactions which will cover both Short Sales and Deeds-In-Lieu. Servicers will no longer be required to cancel and resubmit to correct data reported for HAFAs Setups. If the correction results in a change in compensation, the system will automatically disburse or recover applicable funds.

HAFAs Borrower Relocation Payment Increase

[SD 14-04](#) provides that for a non-GSE Short Sale or Deed-In-Lieu that closes on or after February 1, 2015, Borrower Relocation Compensation will be increased from \$3,000 to \$10,000. Refer to the Compensation Matrix for further details.

HAFAs Investor Reimbursement of Subordinate Lien Releases

[SD 14-04](#) increases the investor reimbursement for a HAFAs short sale or DIL that closes on or after February 1, 2015. The investor will continue to be reimbursed two dollars for every three dollars of short sale proceeds paid to a subordinate lien holder; however the maximum reimbursement will increase from \$5,000 to \$8,000. Refer to the Compensation Matrix for further details.

HAFAs Policy Alignment Edit Changes

Due to HAFAs policy changes outlined in [SD 12-07: Home Affordable Foreclosure Alternatives® Program – Policy Update](#), the following HAFAs attributes and edits are being updated:

- Changing from Mandatory to Conditionally Required
 - Borrower Execution Date (DD37)
 - Agreement Expiration Date (DD22)
- The following HAFAs edits will be updated to reflect the conditionality change in the Borrower Execution Date (DD37) and Agreement Expiration Date (DD22)

- **HAFLIR-50:** If Transaction Closing Date (DD216) is provided and is prior to November 1, 2012, then Borrower Execution Date (DD37) must also be provided.
- **HAFLIR-53:** Borrower Execution Date (DD37), if provided, cannot be prior to Agreement Issue Date (DD23).
- **HAFLIR-57:** If Transaction Closing Date (DD216) is provided and is prior to November 1, 2012, then Agreement Expiration Date (DD22) must also be provided.
- **HAFLIR-59** Agreement Expiration Date (DD22), if provided, cannot be less than 120 calendar days from the Agreement Issue Date (DD23).
- **HAFLIR-62:** Agreement Expiration Date (DD22), if provided, cannot be greater than a year from Agreement Issue Date (DD23).
- **HAFLIR-97:** Transaction Closing Date (DD216) must be on or after the Agreement Issue Date (DD23).
- **HAFLIR-168:** Borrower Execution Date (DD37), if provided, cannot be later than the processing date of a (8) Short Sale or Deed-in-Lieu Notification, (9) Short Sale Loan Set-up (10) Deed-in-Lieu Loan Set-up or (12) HAFA Loan Set-up Correction.
- **HAFLIR-233:** Agreement Issue Date (DD23) cannot be later than the processing date of a (8) Short Sale or Deed-in-Lieu Notification, (9) Short Sale Loan Set-up (10) Deed-in-Lieu Loan Set-up or (12) HAFA Loan Set-up Correction.

Elimination of the 10% Monthly Payment Reduction Requirement for Tier 2 and GSE Standard Modifications

The following 1MP Loan Setup warning message will be removed based on guidance in [SD 14-02](#) that provides that the principal and interest payment after modification under HAMP Tier 2 should be equal to or less than the principal and interest payment before modification:

LIR-509: If Program Type/Campaign ID (DD10) is HMP21, HMP22 or HMP27, Principal and Interest Payment After Modification (DD132) must be less than or equal to Principal and Interest Payment Before Modification (DD135) - (Principal and Interest Payment Before Modification (DD135) * 0.10).

Additionally, GSE Standard Modifications with payment reductions of less than 10% will now appear on the First Lien Matching File, provided the GSE Standard Modification's pre-modification monthly Principal and Interest payment is greater than or equal to the post-modification Principal and Interest payment. This change will result in additional GSE Standard Modifications appearing on the match file.

Lender Processing Services is now Black Knight Financial Technology Solutions, LLC

Since HAMP program inception, Lender Processing Services has hosted and supported the HAMP Reporting Tool user interface (UI). In January 2014, Lender Processing Services became Black Knight Financial after being acquired by Fidelity National Financial. The February 2015 HAMP release will incorporate updates to the HAMP Reporting Tool, UI and HMPAdmin.com to reflect the new company name and logo.

Interface File Changes

BPS003 1MP Master Servicer Loan Level Reconciliation Interface to Servicers

- Action Code (DD20) will have a new enumeration of (65.) Tier 2 Remodification and an updated enumeration of (63.) Proprietary Remodification
- Official Withdrawn Reason Code (DD1077) will have a new reason code of (6.) Tier 2 Remodification and an updated enumeration of (1.) Proprietary Remodification

BPS003 Tier 2 Master Servicer Loan Level Reconciliation Interface to Servicers

- Action Code (DD20) will have an updated enumeration of (63.) Proprietary Remodification
- Official Withdrawn Reason Code (DD1077) will have an updated enumeration of (1.) Proprietary Remodification

BPS003 2MP Master Servicer Loan Level Reconciliation Interface to Servicers

- Action Code (DD20) will have an updated enumeration of (63.) Proprietary Remodification
- Official Withdrawn Reason Code (DD1077) will have an updated enumeration of (1.) Proprietary Remodification

BPS003 HAFA Master Servicer Loan Level Reconciliation Interface to Servicers

- Submission Status Code (DD210) will have a new enumeration of (12.) HAFA Loan Set-up Correction
- Loan Transaction Type Code (DD303) will have a new enumeration of (41.) HAFA Loan Setup Correction Transaction

BPS017 Missing OMRs Interface

- Second lien modifications will automatically reinstate when the Tier 2 is set up, if the second lien has missing OMR's they will be included in this interface. Based upon additional remodification volume this interface may see an increase in activity.

BPS024 Schedule 1 MHA Servicing Transfers Concurrence

- Transferor Official Withdrawn Reason Code will have a new reason code of (6.) Tier 2 Remodification an updated enumeration of (63.) Proprietary Remodification
- Transferee Official Withdrawn Reason Code will have a new reason code of (6.) Tier 2 Remodification an updated enumeration of (1.) Proprietary Remodification

Edit Updates

The following 2MP Loan Setup step schedule edits are being removed to allow second lien servicers to accurately report 2MP step schedule data:

2LIR-93 / 2PEXLIR-92: If the Product After Modification is Step Rate, the Step New Interest Rate Duration must be 12 months except for the last step rate schedule item.

2LIR-94 / 2PEXLIR-93: If the Product After Modification is Step Rate, the difference between each successive step rate schedule item's Step Payment Effective Date (not including the last step rate schedule item) must be 12 months.

2LIR-96 / 2PEXLIR-95: If the Product After Modification is Step Rate, the information for each subsequent Step Note Rate must be greater than the prior Step Note Rate.

2LIR-97 / 2PEXLIR-96: If the Product After Modification is Step Rate, the information for each subsequent Step Principal and Interest Payment must be greater than the prior Step Principal and Interest Payment.

2LIR-98 / 2PEXLIR-98: If the Product After Modification is Step Rate, the Step New Interest Rate Duration of the last step rate schedule item must be equal to Term After Modification – 60 months - the number of months in all steps excluding this last rate schedule item.

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 LPS/Black Knight select option 1, and then select option 5. You may also contact your HAMP Servicer Integration Team (SIT) Lead.