

HAMP Reporting System Servicer Release Preview

March 1, 2012

The following Home Affordable Modification Program (HAMP) Reporting System Servicer Release Preview provides a high-level overview of the planned enhancements to the HAMP Reporting System. This release is scheduled for implementation on Monday, April 30, 2012. Additional information about the release, including detailed release notes, will be made available prior to the release.

This release will include functionality to support:

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 Principal Reduction Alternative 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 will be removed to allow for zero or negative values for Amount Capitalized.

3. Changes to Borrower Contributions for PRA Modifications

The system will be updated to support a change to the Borrower Contributions attribute for HAMP modification including PRA modifications. 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, a new system edit will be added to validate the information under the attribute UPB After Modification for HAMP modifications incorporating PRA. This edit will validate that all instances where the



Principal Reduction Alternative Code is (2) PRA waterfall incented forgiveness or (3) PRA waterfall non-incented forgiveness, the information including in the attribute UPB After Modification equals the (UPB Before Modification + Amount Capitalized, if any) - (Borrower Contributions, if any) - (Principal Write-Down (Forgiveness), if any + Principal Forbearance, if any).

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

Support

For more information or questions regarding this release preview, 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.