

## HAMP Loan Reporting Release Preview

May 25, 2010  
(Updated June 28, 2010\*)

The following Home Affordable Modification Program (HAMP) Loan Reporting Release Preview provides a high-level overview of a planned enhancement for the **HAMP Reporting Tool**, scheduled for implementation on **Monday, August 2, 2010**. Additional information about the release, including detailed release notes, will be made available prior to the release.

### Release Highlights

In conjunction with *Supplemental Directive 10-02: Borrower Outreach and Communication*, the following enhancement will facilitate the reporting of a bankruptcy plan in lieu of a HAMP trial period:

- New Trial Plan Type Code

Please note the new requirements for using the new Trial Plan Type Code in these situations.

**NOTE:** *The scope and functionality planned for the August 2, 2010 release is under development and subject to change. Servicers will be notified of any subsequent changes.*

### New Trial Plan Type Code

As stated in the *Supplemental Directive 10-02*, pending development of systems capability, and at the discretion of the servicers, borrowers in an active Chapter 13 bankruptcy who are determined to be eligible for HAMP may be converted to a permanent modification without completing a trial period plan if:

- The borrower makes all post-petition payments on their first lien mortgage loan due prior to the effective date of the Home Affordable Modification Agreement, and at least three of those payments are equal to or greater than the proposed modified payment;
- The modification is approved by the bankruptcy court, if required; and
- The trial period plan waiver is permitted by the applicable investor guidelines.

Therefore, with this release:

- A new Trial Plan Type Code attribute will be collected in Trial and Official Loan submissions, indicating whether the loan was modified based on a standard trial plan or an alternative plan (i.e., Bankruptcy in Lieu of Trial).
- Servicers will have the ability to choose between the Trial Plan Type Code of Standard Trial or Chapter 13 Bankruptcy, as well to upload a batch file with the new attribute.

## Using the New Trial Plan Type Code

### ***Trial Setup***

After the borrower has successfully made at least three payments under an eligible Chapter 13 bankruptcy plan, servicers will report a single trial period loan setup transaction to cover all of the payments. No trial period payment transactions are required.

- Trial Plan Type Code must reflect Chapter 13 Bankruptcy.
- Length of Trial Period must be at least three months.
- 1<sup>st</sup> Trial Payment Due Date must be on or after 6/1/2010.
- Modification Effective Date cannot be prior to 9/1/2010.

### ***Official/Permanent Modification***

Servicers must report the trial period loan setup transaction before the official/permanent modification loan setup transaction.

- Trial Plan Type Code must reflect Chapter 13 Bankruptcy.
- Trial Plan Type Code on the Official Loan Modification Setup submission must match the value that was submitted in the latest Trial Period Loan Setup submission.
- 1<sup>st</sup> Trial Payment Due Date must be on or after 6/1/2010.
- Modification Effective Date cannot be prior to 9/1/2010.

## Support

For more information or questions regarding the information in this release preview, please 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. Or, contact your HAMP Servicer Integration Team Lead.

## Related Links

[Supplemental Directive 10-02: Borrower Outreach and Communication](#) (dated March 24, 2010)

\*Two references to “August 3” were corrected to read “August 2.”