

## HAMP Loan Reporting Release Preview

March 23, 2010

The following Home Affordable Modification Program (HAMP) Loan Reporting Release Preview provides a high-level overview of the planned enhancements for the **HAMP Reporting Tool**, scheduled for **Monday, May 3, 2010**. Detailed release notes will be made available prior to the release, providing HAMP servicers with a final set of enhancements and additional information regarding the release.

### Release Highlights

Enhancements include the following:

- Updates to accommodate Home Affordable Foreclosure Alternatives (HAFA) reporting
- Updates on Home Price Decline Protection (HPDP) Incentives
- HAMP Reporting Calendar updates
- Updates to existing and new servicer reports

In conjunction with this release, a revised HAMP Data Dictionary and the HAFA Data Dictionary will be posted to HMPadmin.com.

*NOTE: The scope and functionality planned for the May 3, 2010 release is subject to change. Servicers will be notified of any subsequent changes.*

### Updates to Accommodate Home Affordable Foreclosure Alternatives (HAFA) Reporting

[Supplemental Directive 09-09: Introduction of Home Affordable Foreclosure Alternatives – Short Sale and Deed-in-Lieu of Foreclosure](#) introduced a new program, HAFA. This program provides financial incentives to servicers and borrowers who utilize a short sale or a deed-in-lieu to avoid foreclosure on an eligible loan under HAMP. This program should be considered when a borrower could not be offered a HAMP Trial Period Plan, did not successfully complete a Trial Period Plan, defaulted on a HAMP modification or requests consideration and was not eligible for any other loan modification or retention program offered by a servicer.

HAMP servicers are required to provide periodic HAFA loan-level data to the program administrator. Updates to the HAMP Reporting Tool will facilitate this requirement for servicers, including the ability to enter data directly into the HAMP Reporting Tool or uploading a file. Servicers will be able to submit data for the following key milestones:

- **Agreement Notification** – the Short Sale Agreement or a Deed-in-Lieu agreement (signed and executed).
- **Short Sale / Deed-in-lieu Loan Setup** – the transfer of the property ownership (closing of the short sale or acceptance of the Deed-in-lieu).

Should the need arise, servicers will be able to cancel the data they have submitted.

Applicable HAFA program incentives will be disbursed through the existing Automatic Clearing House (ACH) process, currently scheduled on the 27<sup>th</sup> calendar day (or prior business day) of each month. Loan level details of the incentive payments will be included on the Cash Payment Summary Report.

## Updates on Home Price Decline Protection (HPDP) Incentives

[Supplemental Directive 09-04: Home Affordable Modification Program – Home Price Decline Protection Incentives](#) announced additional incentives for investors of HAMP modifications of loans on properties located in areas where home prices have drastically declined and where investors are concerned that further price declines may persist. HPDP incentive payments are linked to the rate of recent home price decline in a local housing market, as well as the unpaid principal balance and mark-to-market loan-to-value ratio of the mortgage loan. Only non-GSE servicers are eligible for this program. (No additional registration or reporting is required for participation in this program.)

Incentive payments will be made only with respect to HAMP modifications with trial period plan effective dates and initial NPV run dates on or after September 1, 2009. Applicable program incentives will be disbursed through the existing ACH process on the 27<sup>th</sup> calendar day (or prior business day) of each month. All incentives including First Lien, HAFA and HPDP, will be combined. Servicers should reference the Cash Payment Summary Report, available in the HAMP Reporting Tool, to determine the expected amount to be received for each program type.

## HAMP Reporting Calendar Updates

Effective with the May 3 release, HAMP servicers will have until two business days prior to the monthly close to clear edits on their Official Monthly Reporting (OMR) submissions. Monthly close is the 17<sup>th</sup> calendar day (or business day prior if the 17<sup>th</sup> is not a business day). This is a change from the current operational calendar that allows servicers to clear edits on OMRs up until the 17<sup>th</sup> calendar day. This change is in alignment with [Supplemental Directive 09-01: Introduction of the Home Affordable Modification Program](#).

## Updates to Existing and New Servicer Reports

Several small revisions will be made to the two reports available to HAMP servicers via the HAMP Reporting Tool.

- The **Master Servicer Reconciliation File** – will include additional data elements for the HPDP incentive payments, and any suspended payments due to borrower/servicer Office of Foreign Assets Control (OFAC) discovery or fraud.
- The **Cash Payment Summary Report** – will be redesigned to include loan level incentive payments for the HAMP First Lien, HAFA, and HPDP programs. New compensation types will allow servicers to identify the program to which the incentive payment was made. There will be one row per loan per program incentive.

Updates will be made to the File Format and Column Header templates for both reports prior to the release.

In addition, a new **HAFA Master Servicer Reconciliation Report** will be available via the HAMP Reporting Tool. **File Format** and **Column Header** templates for the new report will be available to servicers prior to the release.



## Support

For more information or questions regarding the information in these release notes, 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 09-09: Introduction of Home Affordable Foreclosure Alternatives – Short Sale and Deed-in-Lieu of Foreclosure](#) (dated November 30, 2009)

[Supplemental Directive 09-04: Home Affordable Modification Program – Home Price Decline Protection Incentives](#) (dated July 31, 2009)