

Default Reporting

Overview and Troubleshooting



About this Material

The following material is based upon current information in the MPF[®] Servicing Guides and recent announcements related to borrowers who have been impacted by COVID-19.

These materials should not be used in place of the MPF Servicing Guides and the associated MPF announcements. The official versions of all MPF Guides and recent announcements are available through www.fhlbmpf.com and AllRegs[®].

Please note that PFIs and Servicers are expected to abide by any/all federal or state laws or proclamations that may affect borrowers or loans affected by COVID-19.

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Delinquent Loan Reporting

Loans with the following characteristics must be reported monthly on the *Delinquent Mortgage and Bankruptcy Status Report (Exhibit B)*:

- Loans that are 30 days or more delinquent as of the last day of the preceding month.
- Loans that are in Bankruptcy status regardless of the status of the loan (current/delinquent).
- Loans that have been placed into a forbearance plan due to a COVID-19 hardship.
 - ✓ Borrowers who were not delinquent prior to the forbearance plan are technically not delinquent (per credit reporting requirements*) but must be reported so the MPF Provider is aware of the loan status.

***Servicers must report delinquency status information pursuant to MPF Traditional Servicing Guide 8.4
Delinquency Reporting***

How Are Delinquent Loans Reported?

After May 1, 2020 ***Exhibit B*** must be uploaded into **eMAQCS® Plus** by the monthly due date:

- eMAQCS Plus is the new MPF Program default management system.
- All *Exhibit B* files must be uploaded into eMAQCS Plus and should not be sent to Wells Fargo.
 - ✓ MPF Traditional product loans are due by the **5th** business day of each month.
 - ✓ MPF Xtra product loans are due by the **2nd** business day of each month.
 - ✓ MPF Government MBS loans are due by the **1st** business day of each month.



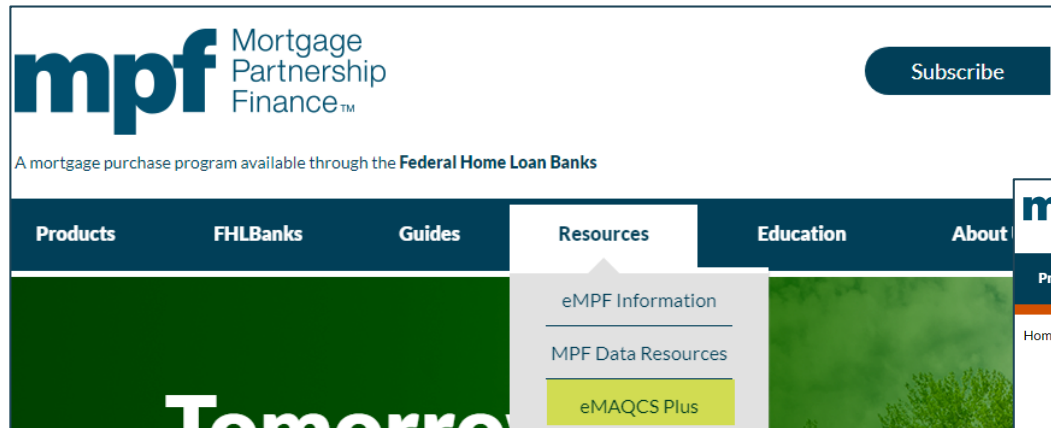
How Do I Access eMAQCS Plus?

- Requests for credentials may be submitted via the MPF Website, www.fhlbmpf.com (click on the *Resources* tab and select *eMAQCS Plus*).
- New users will receive an email that provides information about User IDs and the process for setting up a password.
- If you already have eMAQCS* credentials, a request must be submitted for additional access to eMAQCS Plus.
 - ✓ Once a credential request is processed, you may use your existing eMAQCS credentials to access eMAQCS Plus.

*eMAQCS is used for quality control file reviews and is on a similar platform as eMAQCS Plus

Access to eMAQCS Plus

Credential requests and the
login link are on the MPF
Website



www.fhlbmpf.com

Click on the *Resources* tab on the
homepage and drop down to
eMAQCS Plus



Exhibit B

Exhibit B

The required *Exhibit B* template (Excel format) with instructions is located in the *Glossary, Exhibits and Forms* section of the MPF Guide.

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» MPF Acronyms

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Exhibits:

» Exhibit A: Anti-Predatory Lending Category

» Exhibit A: 2020 MPF Traditional Product Investor Reporting Calendar

» Exhibit A-X: 2020 MPF Xtra Investor Reporting Calendar

» Exhibit B: Delinquent Mortgage Report - Instructions

» Exhibit B: Delinquent Mortgage Report - Excel Template

» Exhibit C: ASCII Text File Layout

	A	B	C	D	E	F	G	H	I	J
1	ACTION_CODE	SERVICER_LOAN_NBR	LOAN_NBR	CLIENT_NBR	SERV_INVESTOR_NBR	BORROWER_FIRST_NAME	BORROWER_LAST_NAME	PROP_ADDRESS	PROP_STATE	PROP_CITY
2										

Exhibit B Basics

To ensure a successful upload, the *Exhibit B* template published in the MPF Guides should be utilized

- Required fields and those fields that are required when applicable must be completed according to the guidance provided in the **Exhibit B** instructions.


Delinquent Mortgage & Bankruptcy Status Report – Standard File Layout (Exhibit B)				
Standard File Layout				
COLUMN HEADER / FIELD NAME	DESCRIPTION AND DATA GUIDANCE	FIELD RULE	FORMAT COMMENT	
ACTION_CODE	Provide Action Code that is reflective of loan's current status. Applicable Action Codes include: <ul style="list-style-type: none">• 0 (No Action)• 12 (Relief Provision)• 15 (Bankruptcy)• 20 (Loss Mitigation)• 30 (Refer to Foreclosure)• 70 (REO)• 71 (Third Party Sale)• 72 (REO with Government Claim) Use numeric code.	Required, cannot be left blank	Numeric only. Description code not to be entered.	
SERVICER_LOAN_NBR	A unique number assigned to a loan by the Servicer. This may be different than the LOAN_NBR field.	Required, cannot be left blank	Can include alpha and numeric characters	
LOAN_NBR	Loan number assigned by MPF Program.	Required, cannot be left blank	Numeric Only	
CLIENT_NBR	The Participating Financial Institution (PFI)	Required, if	Numeric	

Exhibit B Upload in eMAQCS Plus

Home S **Upload** Loan Search Forms Change Password

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Default Management - Data Upload

Upload Data File

Select a data file to import. Supported File Types: Microsoft Excel (.xls and .xlsx)

You are uploading to Cycle starting on: 2/5/2020

Select File Template : ---Select File Template--- *

Data File : Select *

Upload

1. Click on the **Upload** link on the eMAQCS Plus home page.
2. Select the **Exhibit B Excel Import** template.
3. Click Select to **Select** (browse) for your file.
4. Click **Upload**.

---Select File Template---

---Select File Template---

DM - Exhibit B Excel Import

Common Exhibit B Errors

Unsuccessful Uploads

eMAQCS Plus will reject any *Exhibit B* file that does not meet the format requirements as provided in the applicable MPF Servicing Guide.

Default Management - Data Upload

Upload Data File

Select a data file to import. Supported File Types: Microsoft Excel (.xls and .xlsx)

You are uploading to Cycle starting on:

Select File Template

DM - Exhibit B Excel Import

Data File

Select

Upload

Validation Progress

100 % Completed

File validation failed.

OK

VALIDATION ERRORS

Error Type	Excel Column/Cell	Column/Field Name	Value	Acceptable Values
Data list validation failed	AO79	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	W80	LOSS_MIT_TYPE	MOD	Approved Assumption, Deed in Lieu, Formal Forbearance Agreement, Short Sale, Temporary Modification
Data list validation failed	AO80	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	AO81	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	AO82	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	AO83	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	AO85	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown
Data list validation failed	AO86	OCCUPANT_CODE	Occupied	Primary Residence, Second Home, Investment, Owner-occupied, Vacant, Tenant, Mortgagor, Unknown

Successful Upload

This is what you want to see...

The screenshot displays the eMAQCSplus web interface. At the top, a navigation bar includes links for Home, Default Servicing, Upload, Loan Search, Forms, and Change Password. Below this, the MPF logo and the eMAQCSplus title are visible. A system message banner states: "System Message: Access to eMAQCS Plus will be effective May 1, 2020. All MPF Exhibit B files must be uploaded to eMAQCS Plus in the format layout r". The main section is titled "Default Management - Data Upload". Within this section, there is a sub-header "Upload Data File" and instructions: "Select a data file to import. Supported File Types: Microsoft Excel (.xls and .xlsx)". Below the instructions, it says "You are uploading to Cycle starting on:". The "Select File Template" dropdown is set to "DM - Exhibit B Excel Import". The "Data File" input field is empty, with a "Select" button next to it. An "Upload" button is positioned below the input field. The "Validation Progress" and "Import Progress" are both shown as 100% completed with green progress bars. Below these, it states "4 Rows Imported.". At the bottom of the form, a yellow box contains the text "File upload completed." next to an "OK" button.

Home - Default Servicing Upload Loan Search Forms Change Password

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System Message: Access to eMAQCS Plus will be effective May 1, 2020. All MPF Exhibit B files must be uploaded to eMAQCS Plus in the format layout r

Default Management - Data Upload

Upload Data File

Select a data file to import. Supported File Types: Microsoft Excel (.xls and .xlsx)

You are uploading to Cycle starting on:

Select File Template: DM - Exhibit B Excel Import

Data File: Select

Upload

Validation Progress: 100 % Completed

Import Progress: 100 % Completed

4 Rows Imported.

File upload completed. OK

Exhibit B

The proper completion of *Exhibit B* is required to ensure a successful upload.

- Do not omit required data.
- Required fields appear in red.

	A	B	C	D	E	F	G	H	I	J
1	ACTION_CODE	SERVICER_LOAN_NBR	LOAN_NBR	CLIENT_NBR	SERV_INVESTOR_NBR	BORROWER_FIRST_NAME	BORROWER_LAST_NAME	PROP_ADDRESS	PROP_STATE	PROP_
2										

- If any required fields are missing, the upload will fail.
- There are some fields on **Exhibit B** that are specified as *required if applicable*. See the instructions for information about all field requirements.

Exhibit B

Do not enter invalid data into a column that requires a date

- All date fields should show an actual date, not N/A or NA, etc.
 - ✓ If there is no data or date to report and field is not required, leave it blank.
- The dates must be entered into the date column as follows: MM/DD/YYYY.
 - ✓ Omit leading zeros in MM/DD since this is an excel file.

K
BORR_NEXT_PAY_DUE_DATE
5/1/2020

Exhibit B

Make Sure the MPF Loan Number is Correct.

- MPF Loan Number is a required field on *Exhibit B*.
- It is the **LOAN_NBR** field.
- This is the loan number assigned by the MPF Program and is not the Servicer loan number.
 - ✓ It may also be called an Investor Loan Number in your system.
- Omit leading zeros in **LOAN_NBR** field since this is an excel file.

What Number is Used?

SERVICER_LOAN_NBR	This is the number the Servicer has assigned to the loan	Required, cannot be left blank	Can include alpha and numeric characters
LOAN_NBR	This is the MPF Loan Number	Required, cannot be left blank	Numeric Only
CLIENT_NBR	This is the Participating Financial Institution (PFI) Number	Required, if <u>applicable</u>	Numeric Only. Use four(4) digit numeric assigned PFI.
SERV_INVESTOR_NBR	A unique number as assigned by an external Servicer to identify a group of loans in their system	Required, if <u>applicable</u>	Can include <u>alpha</u> and numeric characters

File identifying numbers that may have been provided by Wells Fargo should not be Used on *Exhibit B*. They are for other reporting purposes.

Reporting Due Dates

BORR_NEXT_PAY_DUE_DATE	As reported by the Servicer, this is the date that the Borrower's next payment is due at the end of the Cutoff Date. Must always be a first of the month date.	Required, cannot be left blank	MM/DD/YYYY
------------------------	--	--------------------------------	------------

- Loans that are 30 days or more delinquent as of the last day of the proceeding month, any loan in active bankruptcy or any loan that has been placed into a forbearance plan due to a COVID-19 hardship must be reported.
- The BORR_NEXT_PAY_DUE_DATE field on the *Exhibit B* is the date that the borrower's next payment is due at the end of the cutoff date.
- **Example:** If the next payment due date on a loan is 4/1/2020, the cutoff date to make that payment is 4/30/2020. If on 5/1/2020 the April payment is not made, the loan is considered 30 days late as of 5/1/2020.

Exhibit B

Always refer to the *Field Descriptions* and Data Guidance provided in the Exhibit B Instructions found in the MPF Guides

Here’s an example of the instructions for the **LOAN_TYPE** field:

LOAN_TYPE	The type of the loan. Must match one of the applicable loan types provided: FHA, VA, Conventional, Rural Housing Service, HUD 184, or Conventional with PMI.	Required, cannot be left blank	Can include alpha and numeric characters
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- Data reported must match one of the applicable loan types provided: FHA, VA, Conventional, Rural Housing Service, HUD 184, or Conventional with PMI.

Action, Reason and Status Codes

Reminder: Required Two-Digit Action Codes

Accurate Action Codes must be reported on Exhibit B

Servicers are also reminded that the **Action Code** is also a required field on their Monthly Accounting Reports that continue to be submitted to the Master Servicer (Wells Fargo).

00 = No Action

12 = Relief Provision

15 = Bankruptcy

20 = Loss Mitigation

30 = Refer to Foreclosure

60 = Paid in Full

65 = Repurchase

70 = REO

71 = 3rd Party Sale

72 = REO with Government Claim

Action Codes

Action Code Requirements for Covid-19 Forbearances

- **Action Code 12** should be reported if there is an **informal agreement** with the borrower (i.e. a forbearance plan less than or equal to three months).
- If a Servicer chooses to have a borrower sign an agreement for a plan lasting three months or less, it is still considered an informal agreement.

DESCRIPTION AND DATA GUIDANCE
Provide Action Code that is reflective of loan's current status. Applicable Action Codes include: <ul style="list-style-type: none">• 0 (No Action)• 12 (Relief Provision)• 15 (Bankruptcy)• 20 (Loss Mitigation)• 30 (Refer to Foreclosure)• 70 (REO)• 71 (Third Party Sale)• 72 (REO with Government Claim)
Use numeric code.

Action Codes

Action Code Reporting for Covid-19 Forbearances

- **Action Code 20** should be reported if there is a **formal agreement** signed by the borrower and the forbearance plan is greater than three months.
- The following information should also be provided if **Action Code 20**:
 - ✓ Loss Mitigation Type (**LOSS_MIT_TYPE**) should reflect **FFA** (Formal Forbearance Agreement)
 - ✓ The date the Servicer approved the plan must be provided (**LOSS_MIT_APPR_DATE**).
 - ✓ An estimated date of completion (or actual completion date) must be provided (**LOSS_MIT_EST_COMP_DATE** or **LOSS_MIT_ACT_COMP_DATE**).
 - ✓ In the Comments Section indicate the terms of the forbearance (i.e. full payment, P&I only, etc.).
- These same Action Codes should be included on the monthly accounting reports that continue to be submitted to Wells Fargo.

Status Code and Reason Code

Exhibit B Reporting for Covid-19 Forbearances

- Delinquency Status Code should be **9 (Forbearance)**
- Delinquency Reason Code should be **022 (Energy-Environment Costs)***
- Loans previously using Delinquency Reason Code 022 should now use **007 (Excessive Obligations)**.

* This is not a accurate reason description but is being used as a temporary code.

Workout Hierarchy & Processing Workouts

Workout Hierarchy

Is the Hardship Resolved?	Evaluation Findings	The Servicer Should Consider
YES	The borrower can afford to fully reinstate	Reinstatement
YES	The borrower cannot afford to fully reinstate	Repayment Plan
YES	The borrower cannot afford a repayment plan	COVID-19 Payment Deferral Plan
NO	The hardship is not resolved but does not appear to be permanent	Extending the initial forbearance plan for up to no more than 12 months (Note the 12 month maximum must include the length of any initial forbearance plan)

Workout Hierarchy

Is the Hardship Resolved?	Evaluation Findings	The Servicer Should Consider in This Order
NO	The borrower is experiencing a hardship that has resulted in a permanent or long-term decrease in income or increase in expenses	Temporary Loan Payment Modification
		Short Sale
		Deed-in-Lieu of Foreclosure

NOTE: If a borrower requests to be evaluated for a liquidation workout option, the Servicer must first evaluate the borrower for a liquidation workout option.

Reporting Due Dates

Reminder for loan level accounting reports sent to Wells Fargo

- When reporting loans that are in a forbearance plan, do not roll the next due date to the end of the forbearance period.
- The next payment due date should reflect the actual next payment that was due at the time they entered into the forbearance.
- Example: If the borrower suspended their payments for April, May and June, the next payment due date should continue to reflect April 1.

Repayment Plan Reporting

How to report post-forbearance payments for borrowers beginning a repayment plan

Basic Scenario

- Your borrower had a 90-day forbearance plan which allowed them to suspend their payment of **\$1200** per month from May-July.
- To repay the **\$3600**, they set up a repayment plan over **12 months**. An additional **\$300** per month will be added to their payment.
- On August 1st they resume their regular payments plus the additional amount owed under the repayment plan which equals a temporary payment of **\$1500** per month.

Reporting Post-Forbearance Scenario

Payment Due	Post as Due	Repayment Balance
August	May	\$300
September	June	\$600
October	July	\$900
November	August/September	\$1200 remit as an additional payment
December	October	\$300
January	November	\$600
February	Dec	\$900
March	January/February	\$1200 remit as an additional payment
April	March	\$300
May	April	\$600
June	May	\$900
July	June/July	\$1200 remit as an additional payment
August	August (back on track)	Repayment plan is finished

Final Reminders

- PFIs and Servicers are expected to abide by any/all federal or state laws or proclamations that may affect Borrowers or loans affected by COVID-19.
- Any Servicer who has finalized a post-initial 90 day forbearance plan workout option that does not meet the requirements published by the MPF Provider should contact their MPF Bank immediately.

MPF Program Information

MPF Service Center

Phone - 877-463-6673

Email - MPF-Help@FHLBC.com

Hours - 8:30 AM to 4:30 PM CST