

MPF Announcement:

2024-24

Date:

April 25, 2024

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Government MBS

MPF Traditional

MPF Xtra[®]

Effective Date:

Noted within the
announcement

MPF Xtra Advance Notice of Change to Investor Reporting Layout and Processes

Reference

[Fannie Mae Lender Letter LL-2023-05](#)

[Form SG370-X: MPF Xtra Reporting Change Notification](#)

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

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Fannie Mae published [LL-2023-05](#), which provides updates to the effective dates of the Investor Reporting changes previously communicated:

- **Investor Reporting Changes**
 - All Servicers are required to report daily to the Master Servicer, Computershare. **Although Fannie Mae has changed the effective date for Daily Reporting, the MPF Program continues to require all Servicers report daily.**
- **Loan Level Data File Format Updates***
 - All Servicers will be required to use the Fannie Mae Loan Activity Report (LAR 96) format with the newly announced nine (9) additional fields. **Effective Date: The mandatory effective date for the LAR 96 format expansion will remain on hold throughout 2024. However, PFIs have the option to begin delivering the LAR 96 immediately.**
- **Updates to the P&I remittance cash reconciliation for A/A mortgage loans.**
 - **Effective Date: P&I remittance for summary reporting A/A mortgage loans will remain on hold throughout 2024.**

*To help ease the transition, PFIs can begin submitting the LAR 96 immediately. However, until the MPF Program fully transitions, PFIs may continue reporting in the current MPF Xtra Layouts (Exhibit C and Exhibit D) for Daily Reporting.

Prior to using the LAR 96 file for reporting, Servicers must submit the MPF Xtra Reporting Change Notification (Form SG370-X) to the Master Servicer at least 15 days in advance of the first file submission.

Servicers can also begin testing the LAR 96 with the Master Servicer by completing one of the two testing options:

- Upload the test file to your respective ServicerConnect library with the naming convention of “test_file_LAR96”. Once uploaded, then send a notification email to servicerconnect@computershare.com with the subject line “Expanded LAR96 Format Validation Request”.
- Should a service provider not have access to a ServicerConnect library, they can attached the test file to a notification email sent to servicerconnect@computershare.com with the subject line “Expanded LAR96 Format Validation Request”.

The Master Servicer will provide feedback within three (3) Business Days of receipt of the test file. The testing will focus on the file format and not the data content. The Master Servicer will not be reviewing the accuracy of the loan level data provided, but only reviewing and validating that the file is presented in the correct format including field layout. If Servicers have any questions during testing, please email servicerconnect@computershare.com.

Has your institution considered the following when preparing for the upcoming changes:

- Have you contacted any applicable vendors, including your institutions CORE Provider to ensure they are aware of the new reporting requirements and have the necessary preparations in place to implement the changes?
- Have you updated your processes and procedures to align with the new reporting requirements?
- Have you familiarized yourself with the available MPF Xtra Investor Reporting resources:
 - [Frequently Asked Questions](#)
 - [On-Demand Webinar](#)

To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Lender Letter and any applicable Fannie Mae Servicing Guide chapters, forms, or exhibits noted in the announcements.

We appreciate your continued support of the MPF Program. Please contact the MPF Service Center with any questions.

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Lender Letter (LL-2023-05)

Updated: Mar. 13, 2024

To: All Fannie Mae Single-Family Servicers Advance Notice of Changes to Master Servicing Processes and Systems

This Lender Letter contains the policies previously published in [LL-2021-12](#) on Dec. 14, 2022, with the changes noted below. It provides advance notice of upcoming changes to our Master Servicing processes and systems. These changes further simplify and streamline servicer reporting and will be introduced in a phased approach. These changes are not applicable to reverse mortgage loans.

Mar. 13, 2024

- Removing the topic *Streamline Investor Reporting with LSDU and Master Servicing Portfolio Manager Self-Serve Capabilities*, which has been incorporated into the *Servicing Guide* or [Investor Reporting Manual](#) as of December 2023
- Communicating an updated target effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans

Aug. 30, 2023

- Communicating the specific effective date for retirement of the SURF™ application
- Communicating the target effective date for the cash simplification changes

Apr. 19, 2023

- Communicating the effective date for when the SURF application will be retired

Cash simplification changes [Updated Mar. 13, 2024](#)

We are changing the reporting due date for summary reporting mortgage loans, expanding the transaction type 96 (LAR) format, and changing P&I remittance requirements for summary reporting A/A remittance type mortgage loans.

Reporting due date for summary reporting mortgage loans

For summary reporting mortgage loans, regardless of remittance type, servicers will be required to submit a LAR 96, reporting borrower payment activity, no later than the first business day after the servicer processes the payment transaction in its system. If no payment is received from the borrower, a LAR 96 must still be reported by the twenty-second calendar day of the month of the reporting period. If the twenty-second calendar day falls on a weekend or holiday, the LAR 96 is due on the preceding business day. Corrections to reported activity and any additional activity must be reported by the first business day after the servicer processes the activity in its system but no later than 8 p.m. Eastern Time on the first business day of the month following the reporting period.

NOTE: *Aligned with the current process, we will continue to record activity for the last LAR 96 successfully processed.*

Effective: These changes are targeted to become effective in Q3 2024. We will communicate further details at a later date.

LAR 96 format expansion

The LAR 96 summary reporting format will be expanded to include the data displayed in the following table.



Data Element	Description
Date of Last Full Payment	The date the last fully paid installment was received from the borrower.
Full LPI Date	The LPI date for the loan. Month and year must agree with the month and year reported in LAR 96 position 24 (LPI date).
Mortgage Principal and Interest Amount	The P&I portion of the borrower's regular installment payment for the reporting time period.
Mortgage Taxes and Insurance Amount	The T&I (i.e., escrow) portion of the borrower's regular installment payment for the reporting time period.
Trial Period Plan Payment Amount	For borrowers in the trial period plan of a modification, the amount of the trial payment for the reporting time period.
Deferred UPB	The amount of the deferred (non-interest bearing) portion of the UPB.
Escrow Balance Amount	The balance of funds held in escrow for the loan, including taxes and insurance.
Curtailment Date	The date of the curtailment. Up to twenty curtailments can be recorded during the reporting time period.
Principal Curtailment Amount	The curtailment amount applied to the interest bearing portion of the UPB. Up to twenty curtailments can be recorded during the reporting time period.

Effective: LAR 96 format expansion will remain on hold throughout 2024. We will communicate further details at a later date.

P&I remittance for summary reporting A/A mortgage loans

To simplify the servicer's responsibilities for remitting a P&I payment for an A/A remittance type mortgage loan, we will automatically initiate a draft of the remittance amount from the servicer's custodial account within 48 hours. This change will align to remitting requirements for summary and detailed reporting A/A remittance type mortgage loans and will also eliminate the monthly shortage/surplus balance reconciliation using *Schedule 3 – Reconciliation of Shortage Surplus (Form 472)*. Once the change becomes effective, we will settle-up any outstanding shortage/surplus balances at that time. There are no remitting changes for any other remittance types.

Effective: P&I remittance for summary reporting A/A mortgage loans will remain on hold throughout 2024. We will communicate further details at a later date.

Servicers who have questions about this Lender Letter should contact the Future of Servicing mailbox at future_of_servicing@fanniemae.com. Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).