

**MPF Announcement:**

2024-48

**Date:**

July 17, 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:**

**Immediately** (*unless otherwise noted*)

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

**Reference**

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

[MPF Announcement 2024-24](#)

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](#).

Fannie Mae published an update to [LL-2023-05](#), communicating an effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans.

Please note that although Fannie Mae has published an effective date for the reporting due date for summary reporting mortgage loans, the MPF Program has already implemented these changes and no further action is required from Servicers at this time.

Servicers are encouraged to reference [MPF Announcement 2024-24](#) to help prepare for the remainder of the upcoming changes.

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.

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# Lender Letter(LL-2023-05)

Updated: Jun. 26, 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.

Jun. 26, 2024

- Communicating the effective date for cash simplification changes related to reporting due date for summary reporting 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

### Cash simplification changes [Updated Jun. 26, 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 will be effective with the September 2024 loan reporting cycle.

#### 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](mailto:future_of_servicing@fanniemae.com). Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).