

### Instructions Page

#### Purpose

Servicers of MPF® Traditional loans must use this form to calculate any Realized Loss/(Gain) after disposition of an REO property or Liquidation of a defaulted Conventional Mortgage Loan in accordance with MPF Traditional Servicing Guide Chapter 11.

#### Preparation

- **When:** The Servicer must complete the form after disposition of an REO property or Liquidation of a defaulted Conventional Mortgage Loan.
- **Who:** This form must be completed by an employee of the Servicer who has responsibilities that would cause such individual to be knowledgeable of the facts and processes needed to complete this form and has authority to certify to the truthfulness and accuracy of the information on this form.
- **How:** The attached form is provided as a job aid and should be used for informational purposes only. To complete the official form Servicers must access via eMAQCS®plus and follow this guidance:

Line 1. Actual Unpaid Principal Balance of the Mortgage Loan – Enter Actual Unpaid Principal Balance of the Mortgage Loan.

Line 2. Accrued Interest at Net Rate – Enter the total interest due less the aggregate amount of the Servicing Fee that would have been retained if all delinquent payments had been made as agreed.

Line 3. Attorney's Fees – Enter all attorneys' fees and other Foreclosure expenses advanced by the Servicer. Bankruptcy related attorney fees that exceed amounts permissible under Fannie Mae guidelines in effect at the time of the bankruptcy filing may be curtailed or denied. Foreclosure related attorney fees that exceed amounts permissible under Fannie Mae guidelines in effect as of the Foreclosure referral date may be curtailed or denied. Attorney costs must be actual expenses disbursed and must be documented appropriately. Duplicate expenses due to foreclosure delays may be curtailed or denied. Eviction fees may be included up to a maximum of \$500 (an exception is made for properties in Cook County, Illinois where the eviction fee may not exceed \$700).

The following costs and expenses may **not** be included:

- Mail
- Copies
- Travel
- Mileage
- Long distance calls
- Skip tracing
- PACER fees
- Other vendor or internal administrative costs
- Costs and expenses related to unapproved postponements

Line 4. Taxes – Enter actual property taxes less any late payment penalties. Taxes will be curtailed for any payments made one year prior to the last paid installment date.

# Calculation of Realized Loss or Gain

Line 5. Property Maintenance – Enter all property maintenance expenses advanced by the Servicer. Property preservation related expenses that exceed Fannie Mae guidelines may be curtailed or denied. Expenses related to repairs or restorations exceeding \$2,500 that did not receive prior written approval from the MPF Provider will be curtailed or denied. The following costs and expenses may not be included:

- Trip charges
- Photos
- Property reports
- Management fees
- Property inspections

Line 6 and Line 7. MI/Hazard Insurance Premiums/Hazard Loss Expenses – Enter as applicable. Insurance coverage will be curtailed for any payments made one year prior to the last paid installment date.

Line 8. Accrued Servicing Fees - Enter the amount based upon the scheduled Principal Balance of the Mortgage Loan as calculated on a monthly basis.

Line 9. Property Valuation Fee – Enter the applicable amount. The following requirements apply:

i.Appraisals:

- a) Maximum reimbursement amount per Appraisal: \$450
- b) Prior to scheduled Foreclosure sale: maximum of one (1) Appraisal permitted (the maximum does not include any Appraisal obtained for loss mitigation review/approval)
- c) Post-foreclosure sale: maximum of two (2) Appraisals permitted for initial listing. An additional Appraisal is permitted every ninety (90) days after the initial listing.

ii.Broker's Price Opinions:

- a) Maximum reimbursement amount per BPO: \$150
- b) Prior to scheduled Foreclosure sale: Maximum of one (1) BPO permitted (the maximum does not include any BPO obtained for loss mitigation review/approval)

iii.Retrospective Property Valuation – High Level Concern (HLC) Mortgages only

- a) Maximum reimbursement amount per retrospective property valuation: \$450

Line 10. Other Expenses (Itemize) – Enter as applicable.

Line 11. Total Expenses – The sum total of lines 1 through 10 will be auto-populated.

Lines 12 through 15. Escrow Account Balance/Property Insurance Premium Refund/ Gross Rental Income/Hazard Loss Proceeds – Enter as applicable.

Line 16. Primary MI Proceeds/Cash Amount - Enter the amount of the cash received from the mortgage insurer as shown on the explanation of benefits (EOB) form received from the mortgage insurance company.

Line 17. Primary MI proceeds/DPO Amount – Enter the amount of claim proceeds that have been deferred by the mortgage insurer as shown on the EOB received from the mortgage insurance company.

Line 18. Total PMI Proceeds (Lines 16+17) – The form will auto-populate the total amount of claim proceeds.

Line 19. Net Proceeds from Mortgaged Property – Enter net sales proceeds. For Mortgage Loans subject to a bankruptcy cramdown, enter the difference between the unpaid Principal Balance prior to the bankruptcy deficiency and the unpaid Principal Balance as reduced by the bankruptcy cramdown.

# Calculation of Realized Loss or Gain

Line 20. Other Receipts/Proceeds (Itemize) – Enter the amount of any other proceeds or credit received and explain the source of the amount.

Line 21. Total Credits (Lines 12 through 20) – The form will auto-populate the sum total.

Line 22. Realized Loss/ (Gain) (Line 21- line 11) – The form will auto-populate the amount.

Line 23. SMI Claim Proceeds – Enter the SMI proceeds, if applicable.

Line 24. Realized Loss/ (Gain) after SMI Proceeds – The form will auto-populate the total as applicable.

- **Attachments:** The completed form must be accompanied by an EOB form from the primary and/or supplemental mortgage insurer (if applicable), any claim forms, statements, payments, and/or checks from the primary and/or supplemental mortgage insurer (if applicable), copies of appropriate statements, vouchers, receipts, cancelled checks, and any other documentation to support all expenses and credits.
  - Failure to meet the maximum number of allowable days between the due date of the last paid installment (LPI) and the foreclosure sale date, as referenced in the Fannie Mae guidelines will result in curtailment of reimbursable expenses.
  - If there were unavoidable delays in the Foreclosure process that resulted in the Servicer being unable to foreclose within the required time frame, the Servicer must provide an attorney-prepared foreclosure chronology.

## Submission

- **When:** The Servicer must submit the completed form and supporting documentation within the following time frames:
  - Conventional Mortgage Loans without PMI or SMI: Within 90 days of the date the Guides require for Liquidation.
  - Conventional Mortgage Loans with PMI but without SMI: Within 90 days of the date of the PMI settlement.
  - Conventional Mortgage Loans with SMI: Within 90 days of the SMI settlement.

If the Mortgage Loan is covered by PMI or SMI and the mortgage insurance company is settling its mortgage insurance claims with Insurance Proceeds that are a combination of an upfront cash payment and a deferred payment obligation (DPO), the Servicer must submit this form and any supporting documentation immediately upon acquisition of the Mortgaged Property as REO or Liquidation.

If additional claimable items are received after a Form SG332 is submitted, they must be provided to the MPF Provider no later than 45 days after the initial claim is approved, using a supplemental Form SG332. A supplemental Form SG332 should not show a cumulative loss or gain. It should only include claimable items received after the initial Form SG332 was submitted.

Failure to submit the Form SG332 on time will result in the Servicer forfeiting its right to file a claim.

- **How:** The Servicer must complete the form and submit any supporting documentation through eMAQCS®plus at <https://eMAQCS.covius.com>.
- **To Whom:** The completed form and supporting documentation must be submitted to the MPF Provider.

**The Servicer should retain a copy of the completed form and supporting documentation for their own records.**

# Calculation of Realized Loss or Gain

## Additional Guidance

For questions or assistance regarding this Form please contact the MPF Service Center by using one of the following options:

- [MPF Customer Service Portal](#)
- Email: [MPF-Help@fhlbc.com](mailto:MPF-Help@fhlbc.com)
- Phone: (877) 345-2673

## Helpful Hints

- The Servicer should liquidate the Mortgage Loan within thirty (30) days of disposition of the property. Allowable related expenses will be curtailed if that time frame is not met.
- All expenses must be supported by appropriate documentation. Entries not properly documented will not be reimbursed to the Servicer.
- All PMI/SMI line item entries must be supported by appropriate documentation. This form will not be processed unless the proper documentation is attached.
- If the Realized Loss (Line 24) is the greater of \$20,000 or twenty percent (20%) of the original property value ( $\geq \$5,000$  for an Early Payment Default loan), then the loan is defined as a High Level Concern (HLC) Mortgage, and the Servicer must complete the High Level Concern Mortgage Notification (Form SG337).
- Servicers should check their First Loss Account (FLA) balance. The full claim amount on Form SG332 will only be paid if the FLA balance is sufficient. If the balance is insufficient, the Servicer will only be reimbursed up to the FLA balance.
- Servicers are expected to make every effort to reduce servicing related expenses in a manner consistent with any limitations imposed in the Guides or Form SG332, and where no such limitations are provided, Fannie Mae guidelines and applicable law. Failure to meet an applicable time frame or other limits imposed in the Guides, Form SG332, any applicable mortgage insurance policy or Fannie Mae guidelines will result in curtailment or denial of otherwise allowable expenses.
- In addition, if the mortgage loan defaults after being modified, only advances incurred after the latest default date will be reimbursable on the Form SG332 claim. No unreimbursed advances prior to the loan modification will be reimbursed.

# Calculation of Realized Loss or Gain

## PFI/Servicer Information

PFI Number: \_\_\_\_\_ Servicer Name: \_\_\_\_\_

## Loan Information

MPF Loan Number: \_\_\_\_\_ Borrower Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

## Product Information

This form is for the MPF Traditional product only.

## Primary Mortgage Insurance (PMI) Information

Is Mortgage Loan covered by PMI? ☐ Yes ☐ No

- If covered by PMI:

- PMI claim date \_\_\_\_\_

- Does PMI claim include a deferred payment obligation (DPO)? ☐ Yes ☐ No

## Supplemental Mortgage Insurance (SMI) Information – MPF Plus Product Only

SMI claim date: \_\_\_\_\_ SMI claims includes DPO: ☐ Yes ☐ No

## Realized Loss/Gain Calculation

Choose one: ☐ Initial Form SG332 ☐ Supplemental Form SG332

Liquidation & Acquisition Expenses – Debits	MPF Realized Loss (Gain)	SMI Claim Loss/(Gain)
1. Actual Unpaid Principal Balance of Loan		
2. Accrued Interest at Net Base		
3. Attorney's Fees		
4. Taxes		
5. Property Maintenance		
6. MI/Property Insurance Premiums		
7. Hazard Loss Expenses		
8. Accrued Servicing Fees		
9. Property Valuation Fee		
10. Other Expenses (Itemize) _____		
11. Total Expenses (Lines 1 through 10)	=	=

# Calculation of Realized Loss or Gain

Receipt/Proceeds – Credits	MPF Realized Loss (Gain)	SMI Claim Loss/(Gain)
12. Escrow Account Balance		
13. Property Insurance Premium Refund		
14. Gross Rental Income		
15. Hazard Loss Proceeds		
16. Primary MI Claim Proceeds/Cash Amount: \$ _____		
17. Primary MI Claim Proceeds/DPO Amount: \$ _____		
18. Total Primary MI Proceeds (Line 16+ Line 17) \$ _____		
19. Net Proceeds from Mortgaged Property		
20. Other Receipts/Proceeds (Itemize): _____		
21. Total Credits (Line 12 through Line 20)	=	=

Totals	MPF Realized Loss/(Gain)	SMI Claim Loss/(Gain)
22. Realized Loss/(Gain) (Line 21 minus Line 11)		
23. SMI Claim Proceeds		
24. Realized Loss/(Gain) after SMI Proceeds (Line 22 minus Line 23)		

## Attachment/Supporting Documentation

Are supporting documents attached? ☐ Yes ☐ No

List any supporting documents and/or any missing documents and provide an explanation for any missing documents: \_\_\_\_\_

## Employee Information

By submitting this form, I certify that the information contained herein is true and accurate.

Printed Name of Employee Submitting/Completing Form: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

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