

eServicing Release Notes Version 8.3

October 21, 2011

During the **weekend of October 23, 2011**, Fannie Mae will implement updates to the eServicing application, which includes the changes described below.

Highlights

- Improved process for reporting on delinquent loans. New process added to validate Actual Last Paid Installment (LPI) date discrepancies between Investor Reporting and Delinquency Early Warning System (DEWS). Soft warning edits added in both Investor Reporting and DEWS.
- A new filter and a new report have been added to view loans securitized under the Pooled From Portfolio (PFP) program.
- Principal Tolerance edits have been revised.

Introduction

eServicing 8.3 release will be implemented in the eServicing application on October 23, 2011 and have servicer impact in the following areas:

1. Reporting of delinquent loans

With the volume of delinquent loans on the rise, it is as important as ever for us to collect the most accurate delinquency information. In an effort to improve the accuracy of data reported for delinquent loans and to avoid manual reworks, a new LPI discrepancy screen has been added to Investor Reporting to identify discrepancies in Actual LPI dates between Investor Reporting and DEWS. Actual LPI date discrepancies must be resolved by the servicer before loans can be reported.

- Loans with no discrepancies will be reported as usual.
- If an Actual LPI date discrepancy is identified between Investor Reporting and DEWS, the new *LPI Discrepancies* screen will become available.
- Loans that have Actual LPI date discrepancies cannot be reported until the discrepancy is resolved.
 - To resolve a discrepancy the servicer will click on the *LPI Discrepancies* link, select the radio button for the correct LPI date and then click report.
 - The *LPI Discrepancies* page will be accessible from both the Loan Balances page and the File Upload page.

2. Notifying the lenders of loans in PFP securities

In response to servicers' request to have a view into which loans are securitized under the PFP program, a new report and a new filter have been added to Investor Reporting.

- Each servicer will be able to pull a report listing loans that have been securitized under the PFP program. The report will be available starting on the third business day of the month in the Lender Reports section in Investor Reporting. The report will be cumulative and will therefore contain all loans that have been securitized to date.

- PFP MBS filter will be available to servicers on the Loan Balances Selection screen. This filter can be used to pull all loans that are currently in PFP securities.
- PFP MBS indicator will be added to the Loan Detail page. If a loan has been securitized under the PFP program, the indicator will be set to 'Y'.

3. Principal tolerance edits

Edits are being revised to eliminate the risk of unpaid principal balance (UPB) differences between the servicer and Fannie Mae. Currently, if a loan is within tolerance, the loan status is set to 'Reconciled'; penny differences between the servicer's reported principal and Fannie Mae's projected principal are ignored and Fannie Mae's systems are updated using Fannie Mae projections. We have changed the edit so that the penny differences are ignored but we are using the servicer's reported principal to update Fannie Mae systems.

3.1. Principal tolerance edits are being revised for amortizing loans:

If the loan is within tolerance (i) +/- \$0.03 for Principal, (ii) +/- \$0.03 for Interest and (iii) +/- \$0.01 for Principal + Interest, and (iv) the principal difference is offset by the scheduled UPB difference, then status on the loan will be set to 'Resolved'.

3.2. Principal tolerance edits for interest-only loans are also being updated. There will no longer be a tolerance for principal payments greater than 0. If principal amounts are reported, the loan status will be set to 'Unreconciled'.

4. Soft warning edits in Investor Reporting and DEWS

New soft warning edits for Actual LPI date will be added to Investor Reporting and DEWS to help servicers avoid some of the more common date entry errors. These warnings will not prevent reporting, but are intended to provide information to the servicer on a possible issue with the Actual LPI date. The following edits will be added to the system:

- Reported Actual LPI < Previous Actual LPI
- Reported Actual LPI < today – 60 days
- Reported Actual LPI = Projected Actual LPI – 1 year
- Reported Actual LPI < today - 20 months (Investor Reporting only)
- Reported Actual LPI > today + 60 days (Investor Reporting only)
- Reported Actual LPI is delinquent and no DEWS case found (Investor Reporting only)

Effective Date

The changes will be implemented on October 23, 2011 and effective for the November 2011 reporting period.

Training

These changes will impact servicers for the November reporting period. Two training sessions will be held to explain the new functionality in eServicing and to provide servicers with an opportunity to ask questions. The training sessions will be held on:

- Tuesday, October 25 at 3:00-3:30 p.m. ET
- Thursday, October 27 at 11:00-11:30 a.m. ET

If you are interested in attending one of these training sessions, please send an e-mail to [Katya Hill](#) to request dial-in information and training materials.

Questions

If you have any questions, you may consult Release Notes in the eServicing User Guide or reach out to your servicing analyst.