

# Workout Prospector

## Users' Guide

December 2016

## **Notice**

**The information in this publication is intended to provide general guidance to Freddie Mac Servicers. The information is offered as an aid in - not a substitute for - complying with the requirements set forth in the *Single-Family Seller/Servicer Guide* (the Guide) as amended. Each Freddie Mac-approved Servicer must comply with all the provisions of the Guide, and of all other Purchase Documents, as that term is defined in the Guide. This publication does not constitute a part of the Guide. In the event any information provided in this publication conflicts or is inconsistent with the provisions or requirements of the Guide or any Purchase Document, the provisions requirements of the Guide and such Purchase Documents control and supersede the information contained in this publication.**

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# Get Started with Workout Prospector

# Chapter 1

## Introduction

Workout Prospector® is a web-based application that gives you the ability to analyze, structure, and send alternative to foreclosure recommendations to Freddie Mac electronically, or aid you in exercising your delegated authority to enter into alternatives to foreclosure on behalf of Freddie Mac.

This chapter introduces the activities you must perform to obtain access and begin using the application.

## Objectives

After completing this chapter, you will

- Understand how to request a user ID and password for access to Workout Prospector
- Be able to access and log in to Workout Prospector
- Create a new model and open an existing model
- Be familiar with the To Do List

## Before You Begin

You must have a user ID and password to access Workout Prospector. If you are not currently a Workout Prospector user or need to update your account, perform the following steps:

1. Complete the online Workout Prospector order form available at <http://www.freddiemac.com/singlefamily/service/wp2order.html>.



For best results when using Workout Prospector, we recommend using Windows® Internet Explorer® 9.0 or Mozilla Firefox® 35.0 for your browser.

2. Print a copy of the completed form for your records.
3. Click **Submit**. If your registration is successful, you will be directed to a confirmation page.
4. Repeat steps one through three if you need to create more than 10 accounts.

# Get Started with Workout Prospector

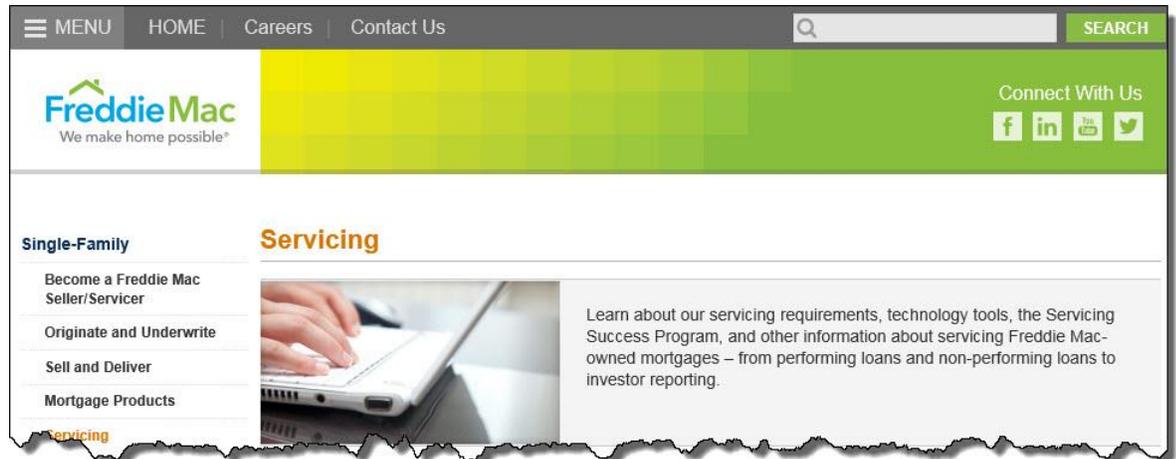
## How to Access and Log In to Workout Prospector

Perform the following steps to access and log in to Workout Prospector:

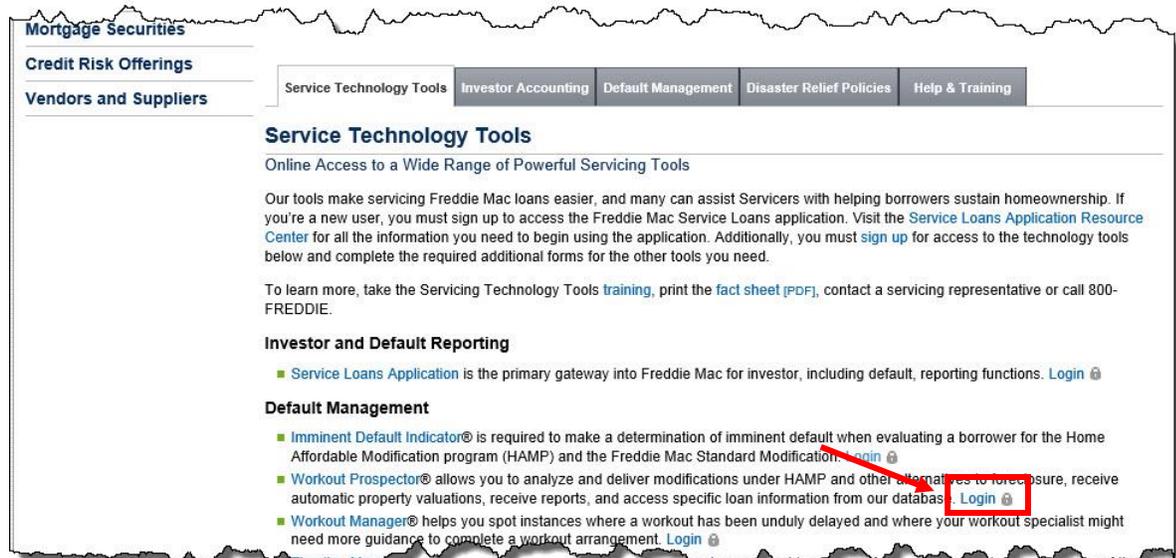
1. Access the Servicing page located on FreddieMac.com using this URL:  
<http://www.freddiemac.com/singlefamily/service/>

The following page displays:

Workout Prospector is available Monday through Saturday, 7 a.m. to 11 p.m. Eastern Time and Sunday, 9 a.m. to 11 p.m. Eastern Time.



2. Scroll down the page and click on the Login link for Workout Prospector.



# Get Started with Workout Prospector

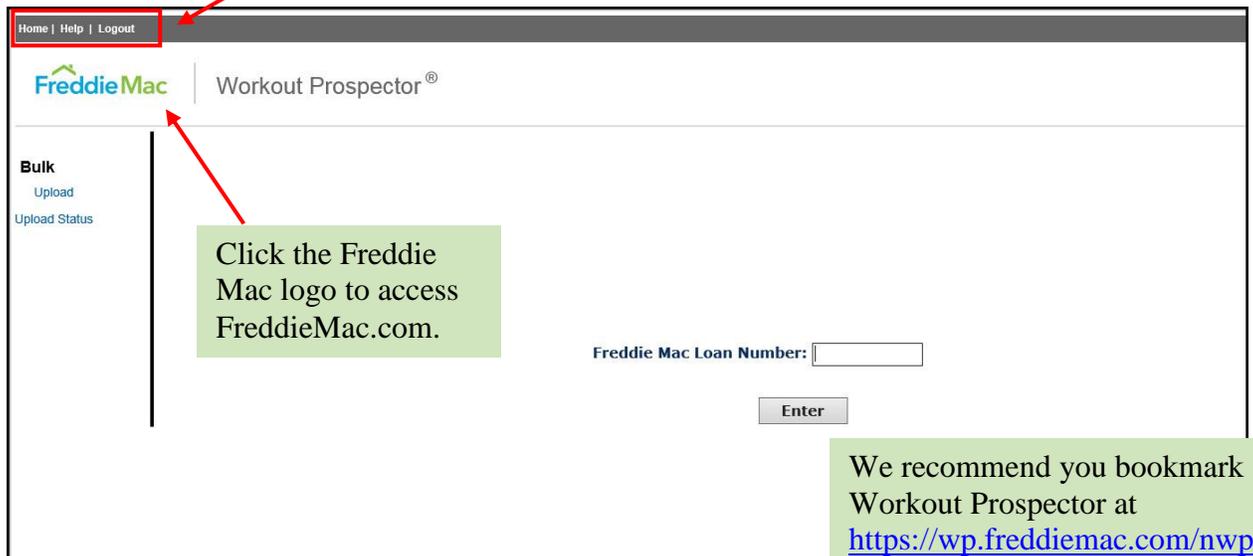
3. Enter your User Name and Password when the following displays:



4. Click **Login**. The following screen displays. You have successfully logged in to Workout Prospector.

Note the three links that display at the top of the screen.

- Click **Home** to return to this screen from anywhere in this application. Note: Clicking **Home** also closes the model you are in.
- Click **Help** to access the Workout Prospector online help.
- Click **Logout** to log out of Workout Prospector.



# Get Started with Workout Prospector

## What is a Model?

A model in Workout Prospector is a collection of data about a specific mortgage, including information about the borrower, the property and the loan. In addition to the data entered into it, a model contains warnings, calculations, and an economic profile of various alternatives to foreclosure. You must use Workout Prospector to pursue alternatives to foreclosure that Freddie Mac offers in accordance with the evaluation hierarchy set forth in Guide Section 9201.2 and the specific Guide requirements for each available alternative to foreclosure.

When you create a model, many of the data entry fields automatically populate with information from our database. Examples of fields that automatically populate are borrower name and address, property address, and maturity date. You may edit some fields that automatically populate by entering a different value. Ensure that you validate the data that automatically populates and edit it as needed to ensure accuracy.

## How to Create or Open a Model

After you have logged in to Workout Prospector, perform the following steps to create a new model or open an existing model:

1. Enter the Freddie Mac loan number.

A screenshot of a web form with a label "Freddie Mac Loan Number:" followed by a text input field. Below the input field is a button labeled "Enter". The entire form is enclosed in a hand-drawn, irregular border.

2. Click **Enter**. Workout Prospector will determine, based on your user ID, password, and the loan number entered, whether a model exists for the loan and whether your access privileges allow you to view and/or update the loan.

If you:	Then Workout Prospector will:
Have access to the loan and a model for the loan <b>does not exist</b>	Allow you to create a new model. Select a workout option type and click <b>Submit</b> .

Select **Liquidation** for Freddie Mac Standard Short Sales, Freddie Mac Standard Deeds-in-Lieu of Foreclosure, third-party foreclosure sales and charge-offs.

Note: Select **Liquidation** to enter data for and submit repayment plans to Freddie Mac

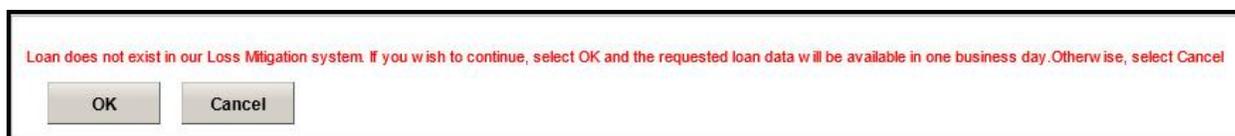
A screenshot of a web form showing a dropdown menu labeled "Workout Option:". The dropdown menu is open, showing three options: "Select Workout Option", "Select Workout Option", and "Retention Program Liquidation". Below the dropdown menu is a button labeled "Submit". Red arrows point from the text boxes on either side to the "Retention Program Liquidation" option and the "Submit" button.

Select **Retention Program** to model HAMP modifications, Freddie Mac Standard Modifications, Freddie Mac Streamlined Modifications, and court mandated modifications.

# Get Started with Workout Prospector

If you:	Then Workout Prospector will:
Have access to the loan and a model for the loan <b>does exist</b>	Open the existing model. If someone else has control of the model, you can view the data, but will not be permitted to make any changes.
Do not have the access privileges required to view and/or update the loan	Display a message to notify you that access to the loan is denied.

If you enter a Freddie Mac loan number that is not in our database of delinquent mortgages, the following message displays.



If you receive this message, verify that you have entered the correct loan number. Workout Prospector will extract the data for the requested loan number and populate the database in one business day. After the database is populated, you can access Workout Prospector and create a model for the loan.

After you create or open a model, general data about the loan including the Freddie Mac loan number, Servicer loan number, borrower name, and property address display at the top of the screen as shown below.

This information is static and displays on each screen you access for the model.

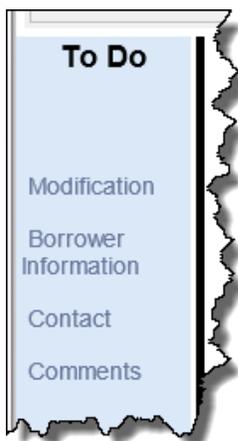


## The Negotiated and Delegated Policy Paths

Freddie Mac has granted delegated authority to approve all alternatives to foreclosure consistent with the Guide's evaluation hierarchy requirements and provided all eligibility requirements are met. If the model you send to us is within the parameters of the delegated program requirements, that model follows the "delegated policy path", and review is unnecessary. All other models follow the "negotiated policy path," and we approve or reject them for the specific exception requested based on the specifics of the model.

# Get Started with Workout Prospector

## The To Do List



The To Do List is located on the left side of each screen and displays whenever a model is open. The To Do List is dynamic, and the selections displayed depend on the type of alternative to foreclosure you are evaluating.

The following baseline screens always display on the To Do List:

- Contact
- Borrower Information

The following screens display on the To Do List only when certain conditions are met:

Screen	One of the following criteria must be met to display:
<b>Property</b>	A workout other than a HAMP <sup>®</sup> modification, Freddie Mac Standard Modification, or Freddie Mac Streamlined Modification is currently in progress or has been approved.
<b>Loan</b>	
<b>Analyze</b>	A workout other than a modification is in progress or has been approved.
<b>Warnings and Comments</b>	
<b>Business Plan</b>	
<b>Workout Summary</b>	
<b>Letters</b>	
<b>Model Modification</b>	
<b>Court Mandated Mod</b>	
<b>Comments</b>	A HAMP modification, Freddie Mac Standard Modification, Freddie Mac Streamlined Modification, or court mandated modification is currently in progress.
<b>Modification</b>	A HAMP modification, Freddie Mac Standard Modification, or Freddie Mac Streamlined Modification is currently in progress.
<b>CE</b>	A workout other than a modification is in progress or has been approved and the loan is credit enhanced.

## Get Started with Workout Prospector

Screen	One of the following criteria must be met to display:
<b>HUD-1</b>	A workout other than a modification is in progress or has been approved and the Sales Price on the Property screen is greater than zero.
<b>Loan Mod Settlement</b>	A HAMP modification, Freddie Mac Standard Modification, or Freddie Mac Streamlined Modification has been saved in the Modification Program – Approve status.
<b>Court Modification</b>	A court mandated modification is in progress or has been approved.
<b>Liquidation Settlement</b>	A third-party foreclosure sale, Freddie Mac Standard Short Sale, Freddie Mac Standard Deed-in-Lieu, or charge-off has been approved.

### Required Data Elements

Required data elements are identified with a red asterisk (\*). You must ensure a value is entered for all required data elements.



### Expanding and Collapsing the Screens

Many of the screens in Workout Prospector provide the option of viewing all sections of a screen at once, or viewing selected sections.

If you want to:	Then:
View all sections of the screen	Click <b>Expand All</b> .
View a particular section of the screen	Click the arrow next to the section you want to expand.
Collapse all sections of the screen	Click <b>Collapse All</b> .
Collapse a particular section of the screen	Click the arrow next to the section you want to collapse.

# Get Started with Workout Prospector

In the example below, we have expanded the Borrower section of the Borrower Information screen.

Collapse or expand a particular section of the screen with these arrows.

Use these links to expand or collapse all sections of the screen at once.

## Navigating through the Screens

In addition to using the links available on the left navigation bar in the To Do List, you can also move from screen to screen using the **Next** and **Back** buttons.

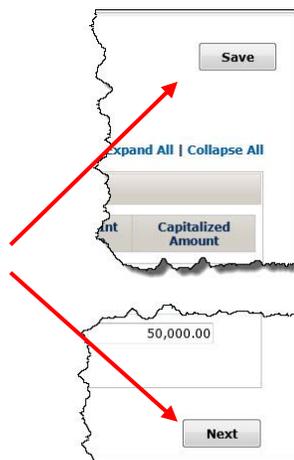
Click **Back** to display the prior screen.

Click **Next** to save the data entered for the model, and advance to the next screen.

# Get Started with Workout Prospector

## Save Your Work Frequently

When you are logged in to Workout Prospector, it is important that you save your work frequently. To do this, you can click **Save** (located in the upper right corner) or **Next** (located in the bottom right corner, if the screen you are on has a **Next** button). Workout Prospector stores your entire model, including data from the screen you're using, in our system's database. It creates a permanent copy of your model and allows us to view it if necessary to help you or answer your questions.



## Inactivity

The following table outlines what actions you must take to continue working in Workout Prospector after a period of inactivity.

After the following period of inactivity:	You must take the following actions to continue working in Workout Prospector:
After at least 47 minutes, but less than 60 minutes	Enter your user ID and password when the log in prompt displays. After logging in, Workout Prospector will return you to the loan number and screen you were using.
After 60 minutes or more	After 60 minutes of inactivity, Workout Prospector will automatically log you off and you will lose data that was revised or added to your model since the last time you clicked <b>Save</b> or <b>Next</b> . Enter your user ID and password when the log in prompt displays. You will receive a message that the session timed out. Close all open browsers and start a new session.

## Where to Find Additional Information

For information about online offerings and additional reference information about Workout Prospector and alternatives to foreclosure, visit the Learning Center at [www.FreddieMac.com/learn](http://www.FreddieMac.com/learn).

# Get Started with Workout Prospector

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## Introduction

To reduce your data entry workload, you can upload loan data required for a workout decision to Workout Prospector® by sending it to us in batch files. This eliminates the need to re-enter data that already exists in your servicing systems.

After you upload a loan file, we check it to make sure it includes all the required data, and is in the correct format. If it is, the data will be available on the following day and will automatically populate in a Workout Prospector model when you open it. If the loan file was not accepted, we will let you know what errors occurred, so you can correct them and re-upload the file.

Remember that the bulk upload feature only populates data into the model. For modifications, you must open the model and select a modification type and status. For other alternatives to foreclosure, you must open the model and select a workout type before you can send it to us.

The bulk upload functionality is available during Workout Prospector's standard operating hours - Monday through Saturday, 7 a.m. to 11 p.m. Eastern Time and Sunday, 9 a.m. to 11 p.m. Eastern Time.

## Objectives

After completing this chapter, you will

- Be familiar with the bulk upload capability Workout Prospector provides
- Understand what steps you must take to upload data from your system to Workout Prospector
- Be able to review the results of the bulk upload

## File Format

Each bulk upload file must be in text (.txt) format and may contain a maximum of 1,000 loans. To help you map the fields from your system to the bulk upload .txt file format, refer to the Workout Prospector Text and TAG file format specification available on the Learning Center at [http://www.freddiemac.com/learn/pdfs/service/wp\\_tag\\_file\\_format.pdf](http://www.freddiemac.com/learn/pdfs/service/wp_tag_file_format.pdf).

The upload file must contain all of the data elements in the sequence they are listed in the Workout Prospector Text and TAG file format specification. To facilitate the preparation of the upload file, you may copy and paste the data elements into your file and then insert the values for each.

## Workout Prospector Bulk Upload

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The file you upload must meet the requirements of the Freddie Mac *Single-Family Seller/Servicer Guide* (Guide) and the following criteria:

- Contain only Freddie Mac-owned mortgages.
- Be in a text (.txt) file format.
- Contain no more than 1,000 loan records.
- Have a filename that:
  - Is less than 24 characters, including the file extension (e.g., wp\_upload.txt)
  - Contains only alphanumeric characters.
  - Does not include any spaces or special characters (e.g., !@#\$%^&\*).
  - Is unique (no duplicate filenames).

Each loan record in the file must contain the following:

- A file header for each loan. The file header must be in the following format:  
F~Servicer Number~Date Time **Example:** F~123456~May 12 2015 11:10AM
- A loan header for each loan. The loan header must be in the following format:  
H~FM~Loan Number~1.0 or H~NFM~Loan Number~1.0  
**Example:** H~FM~111222333~1.0 or H~NFM~111222333~1.0
- A file footer. The file footer must be in the following format:  
T~1

Refer to Appendix C, *Bulk Upload Text File Sample*, for an example. After your file is formatted correctly, you are ready to upload it.

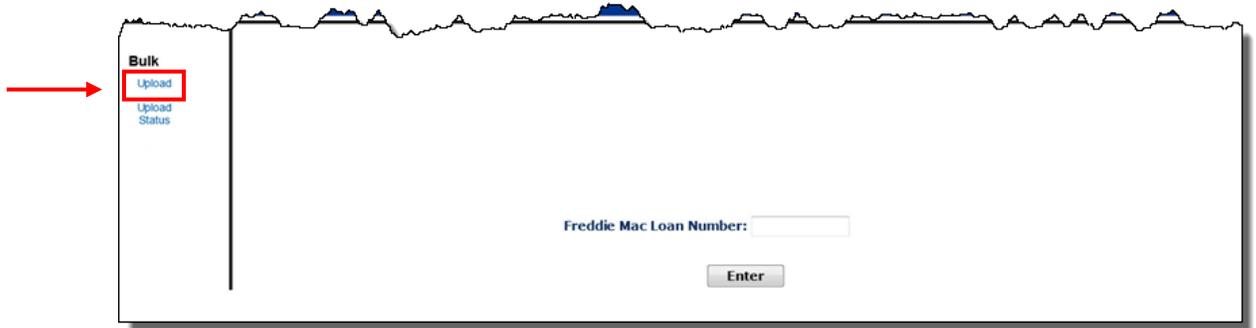
# Workout Prospector Bulk Upload

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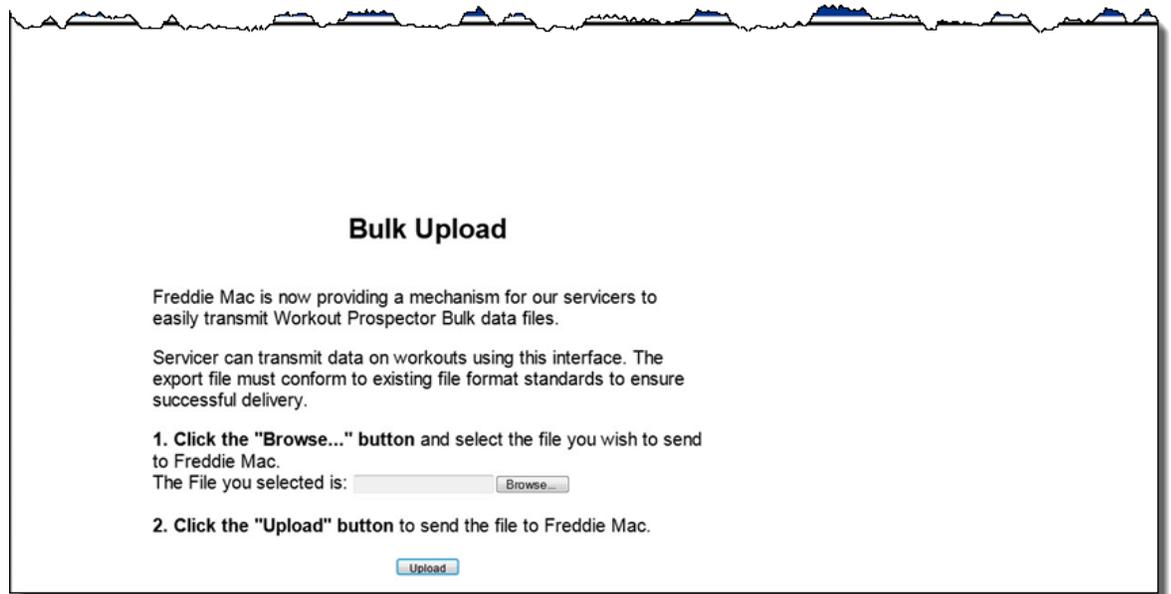
## How to Upload a File

After you have logged into Workout Prospector, perform the following steps to upload a file:

1. Click **Upload** in the left navigation bar.



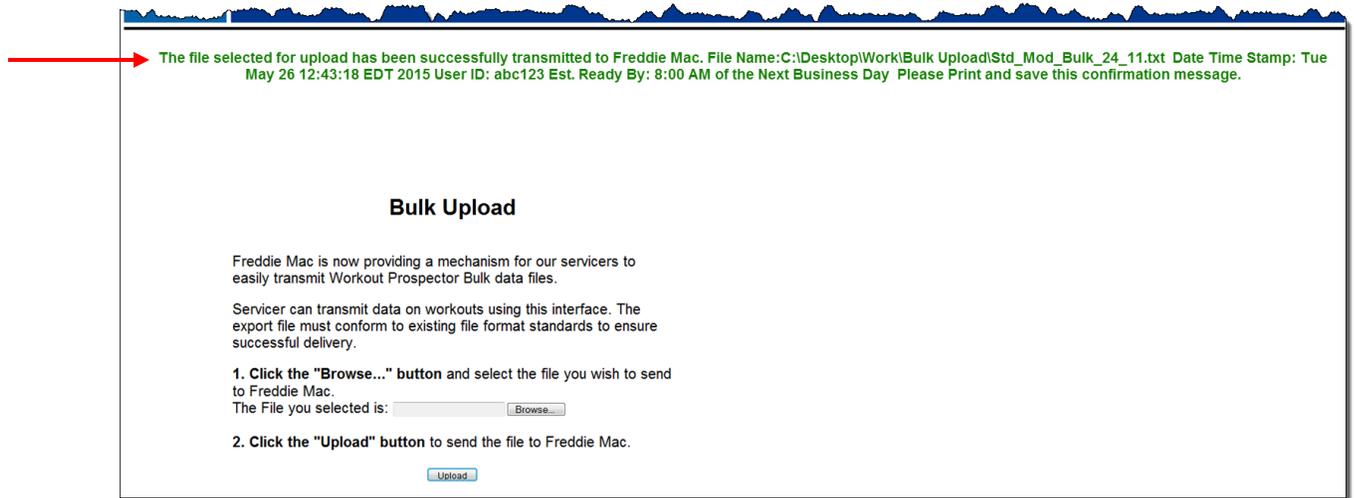
The following screen displays:



2. Follow the instructions on the screen:
  - Identify the file you want to send to Freddie Mac.
  - Click **Upload** to send the file to Freddie Mac.

# Workout Prospector Bulk Upload

After you upload the file, Workout Prospector displays a confirmation message acknowledging receipt of your file and the approximate time your file will be ready.



## Review the Results of the Bulk Upload

After Freddie Mac processes your file, you can view the results. To do this, click **Upload Status** in the left navigation bar. The following displays:

### WP Export Files List for Servicer Family: 123456

File Name	Date Modified
B.123456.w p2tdel0.BulkWP_UAT_BLK_DEL3.txt .Dt:06-20-2014_1:43:4PM.DTL.xls	20 Jun 2014 01:46:18
B.123456.w p2tdel0.BulkWP_UAT_BLK_DEL3.txt .Dt:06-20-2014_1:43:4PM.HDR.xls	20 Jun 2014 01:46:18
B.123456.w p2tdel0.12345678901234567890.txt .Dt:06-20-2014_1:21:3PM.HDR.xls	20 Jun 2014 01:46:04
B.123456.w p2tdel0.BulkWP_UAT_BLK_DEL2.txt .Dt:06-20-2014_1:18:15PM.HDR.xls	20 Jun 2014 01:19:48
B.123456.w p2tdel0.BulkWP_UAT_BLK_DEL1.txt .Dt:06-20-2014_12:38:0PM.DTL.xls	20 Jun 2014 12:40:01

You may choose to view a summary report (files with "HDR" prior to the extension) or a detail report (files with "DTL" prior to the extension).

The summary report identifies:

- Total number of loans submitted
- Number of loan successfully transmitted
- Loans with errors or missing data (loans that were rejected)

Below the summary, additional information is provided on any loan that had missing data or errors.

## Workout Prospector Bulk Upload

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The detail report provides specific information that will enable you to identify errors, if they exist, in your export file. You can use Microsoft® Excel or another program to view the reports and sort the data to meet your needs. After you identify specific errors or missing data for the loans, make the necessary corrections and export the file again.

The data you uploaded for loans in our database of delinquent mortgages will be available for your review the following business day. Workout Prospector will require two business days to extract data for loan numbers that are not in our database of delinquent mortgages. After the database is populated, you can access Workout Prospector and create a model for the loan.

# Workout Prospector Bulk Upload

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# Enter Data for and Evaluate Modifications

## Chapter 3

### Introduction

This chapter introduces and provides guidance on how to navigate the Workout Prospector® screens you will use to enter data for and evaluate HAMP® modifications, Freddie Mac Standard Modifications, Freddie Mac Streamlined Modifications, court mandated modifications, and “other modifications.”

Please note that in this publication, references to “Trial Period Plan” refer to the terms and conditions of a Trial Period Plan set forth in the following documents, located in Guide Exhibit 93, *Evaluation Model Clauses*:

- HAMP Trial Period Plan Notice
- Standard Modification Trial Period Plan Notice
- Streamlined Modification Trial Period Plan Notice

**Note:** This users’ guide does not include information on how to process Freddie Mac Principal Reduction Modifications. For detailed instructions, refer to the [Freddie Mac Principal Reduction Modification Quick Reference](#).

### Special Note Regarding HAMP Expiration

With respect to borrowers who submit a complete Borrower Response Package on or after December 31, 2016, you may not evaluate such borrowers for HAMP.

### Special Note Regarding HAMP Reconciliation Obligation

You are required to report Freddie Mac data on HAMP Trial Period Plans and HAMP modifications, including mortgages that convert from a Streamlined Modification Trial Period Plan to a HAMP Trial Period Plan and HAMP modification, to the HAMP Program Administrator. The Freddie Mac data that you report to the HAMP Program Administrator must be consistent with the Freddie Mac data that you enter into Workout Prospector. You must reconcile the data reported to both Freddie Mac and the HAMP Program Administrator with the Freddie Mac data that you maintain in your own systems to ensure that all data matches and the data reported to both Freddie Mac and the HAMP Program Administrator is accurate.

### Objectives

After completing this chapter, you will:

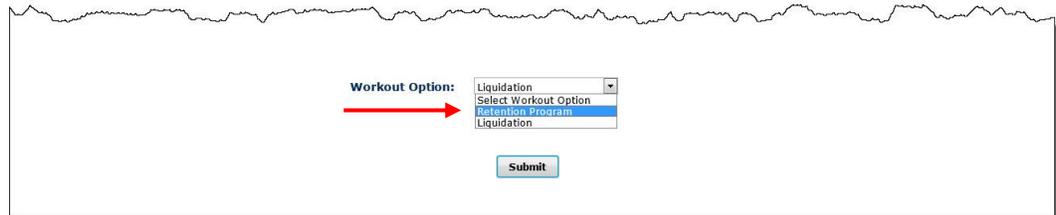
- Be able to navigate and enter data on the modification screens for HAMP modifications, Freddie Mac Standard Modifications, Freddie Mac Streamlined Modifications, court mandated modifications, and “other modifications.”
- Understand how to submit a Standard Modification to us via the negotiated path to request an exception to Guide Sections 9206.5 eligibility and 9206.6 ineligibility criteria.

# Enter Data for and Evaluate Modifications

## How to Create a Model for a Modification

After you log in to Workout Prospector, perform the following steps to create a model for a modification.

1. Select **Retention Program** from the Workout Option pick list.



A screenshot of a web form showing a dropdown menu labeled "Workout Option:". A red arrow points to the dropdown, which is open and displays three options: "Liquidation", "Retention Program" (highlighted in blue), and "Liquidation". Below the dropdown is a "Submit" button.

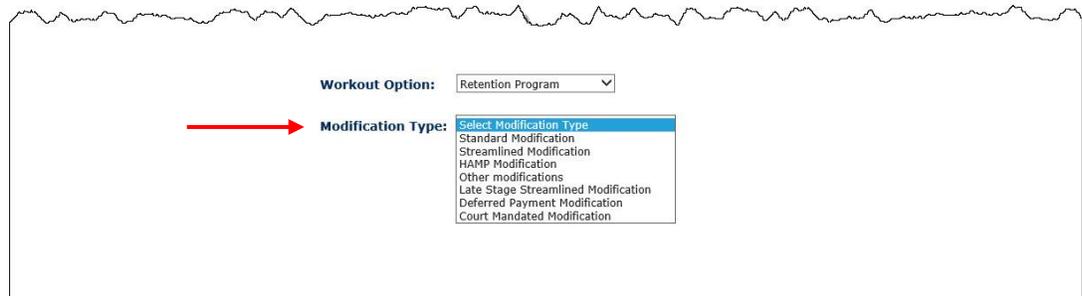
The Modification Type pick list displays below the Workout Option pick list.

2. Select one of the following modification types from the pick list:

- Standard Modification
- Streamlined Modification
- HAMP Modification
- Other modifications
- Late Stage Streamlined Modification
- Deferred Payment Modification
- Court Mandated Modification

**Important:** Not all Servicers are delegated for Late Stage Streamlined Modifications or Deferred Payment Modifications.

If you receive the warning message "Not delegated for this program." on the Mortgage Attributes screen, you are not delegated for the modification type you selected, and must select a different modification type before proceeding.



A screenshot of a web form showing a dropdown menu labeled "Workout Option:" with "Retention Program" selected. Below it is a dropdown menu labeled "Modification Type:" with a red arrow pointing to it. The dropdown is open and displays a list of modification types: "Select Modification Type", "Standard Modification", "Streamlined Modification", "HAMP Modification", "Other modifications", "Late Stage Streamlined Modification", "Deferred Payment Modification", and "Court Mandated Modification".

3. Click **Submit**.



A screenshot of a web form showing the "Workout Option:" dropdown set to "Retention Program" and the "Modification Type:" dropdown set to "Standard Modification". A red arrow points to the "Submit" button.

## Enter Data for and Evaluate Modifications

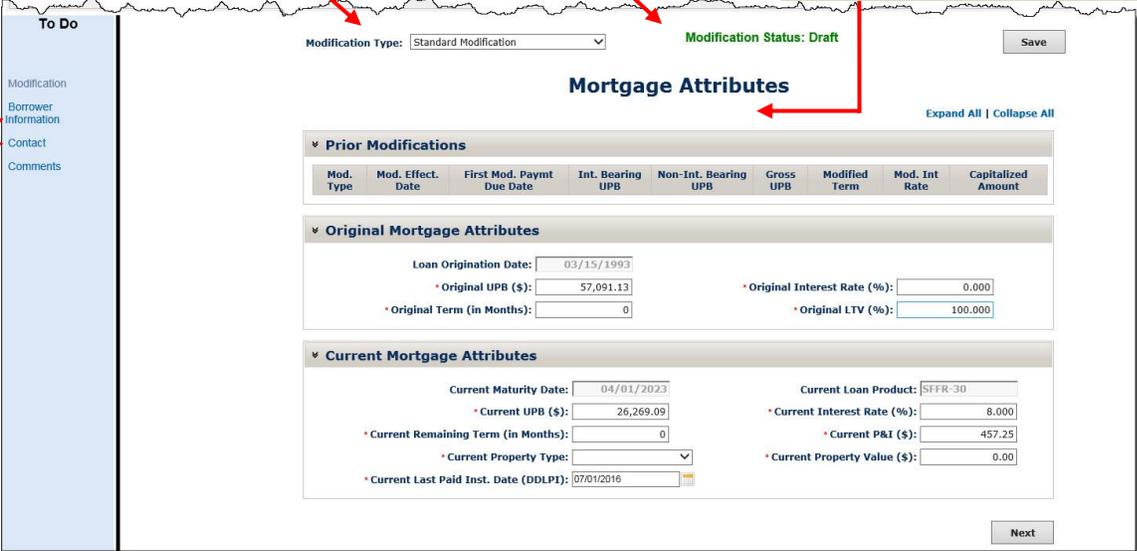
After you click **Submit**, the Mortgage Attributes screen and To Do List display as shown below.

The pick list displays the modification type you selected.

The modification is in Draft status.

Loan-level warning messages display in this area of the screen. For additional information about warning messages, refer to Appendix A.

Note that you must provide the required data on the Borrower Information and Contact screens for modifications. For information on the Borrower Information and Contact screens, refer to Chapter 6.



The screenshot shows the 'Mortgage Attributes' screen. At the top, the 'Modification Type' is set to 'Standard Modification' and the 'Modification Status' is 'Draft'. A 'Save' button is visible. Below this is a table for 'Prior Modifications' with columns: Mod. Type, Mod. Effect. Date, First Mod. Paymt Due Date, Int. Bearing UPB, Non-Int. Bearing UPB, Gross UPB, Modified Term, Mod. Int Rate, and Capitalized Amount. The screen is divided into sections for 'Original Mortgage Attributes' and 'Current Mortgage Attributes'. The 'Original' section includes fields for Loan Origination Date (03/15/1993), Original UPB (\$), Original Interest Rate (%), and Original Term (in Months). The 'Current' section includes fields for Current Maturity Date (04/01/2023), Current UPB (\$), Current Interest Rate (%), Current Remaining Term (in Months), Current Property Type, and Current Last Paid Inst. Date (DDLPI). A 'Next' button is at the bottom right. A 'To Do' sidebar on the left contains links for Modification, Borrower Information, Contact, and Comments.

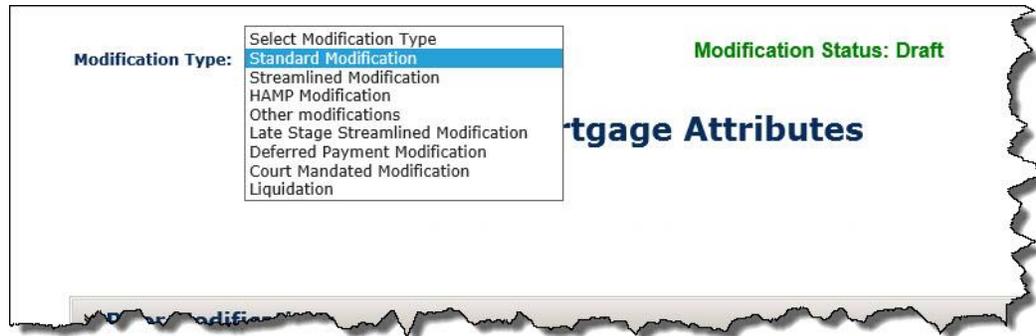
**Important:** If you receive the warning message “*Not delegated for this program.*” you are not delegated for the modification type you selected, and must select a different modification type before proceeding. To do this, click the Modification Type pick list at the top of the Mortgage Attributes screen and select a different modification.



## Enter Data for and Evaluate Modifications

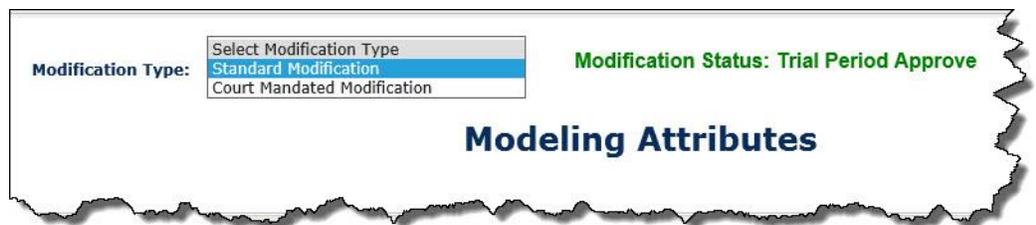
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When a modification is in Draft status, you have the ability to model a different modification type, or to model a liquidation option, by making a selection from the Modification Type pick list.



The screenshot shows a software interface for a modification in Draft status. On the left, there is a label 'Modification Type:' followed by a pick list. The pick list has a title 'Select Modification Type' and contains the following options: 'Standard Modification' (highlighted in blue), 'Streamlined Modification', 'HAMP Modification', 'Other modifications', 'Late Stage Streamlined Modification', 'Deferred Payment Modification', 'Court Mandated Modification', and 'Liquidation'. To the right of the pick list, the text 'Modification Status: Draft' is displayed in green. Below the pick list, the text 'Modeling Attributes' is visible in a large, bold, blue font. The entire interface is enclosed in a white box with a decorative, torn-paper-like border.

When a modification is in Trial Period – Approve status, the pick list displays only the modification type you are currently evaluating, and Court Mandated Mod.



The screenshot shows a software interface for a modification in Trial Period – Approve status. On the left, there is a label 'Modification Type:' followed by a pick list. The pick list has a title 'Select Modification Type' and contains the following options: 'Standard Modification' (highlighted in blue) and 'Court Mandated Modification'. To the right of the pick list, the text 'Modification Status: Trial Period Approve' is displayed in green. Below the pick list, the text 'Modeling Attributes' is visible in a large, bold, blue font. The entire interface is enclosed in a white box with a decorative, torn-paper-like border.

## Enter Data for and Evaluate Modifications

### Data Elements Required to Evaluate a Modification

The following table identifies the data elements that must be populated to evaluate HAMP modifications, Standard Modifications, Streamlined Modifications, and “other modifications”:

Screen	Field	HAMP	Standard	Streamlined	“Other”
<b>Mortgage Attributes</b>	Original UPB	X	X	X	X
	Original Interest Rate	X	X	X	X
	Original Term (In Months)	X	X	X	X
	Original LTV	X	X	X	X
	Current UPB	X	X	X	X
	Current Interest Rate	X	X	X	X
	Current Remaining Term (In Months)	X	X	X	X
	Current P&I	X	X	X	X
	Current Property Type	X	X	X	X
	Current Property Value	X	X	X	X
	Current Last Paid Installment Date (DDLPI)				X
<b>Modeling Attributes</b>	Borrower – Monthly Gross Employment Income	X	X		
	Borrower – Monthly Net Income	X			
	Monthly Property Taxes	X	X		
	Borrower FICO	X	X		

## Enter Data for and Evaluate Modifications

Screen	Field	HAMP	Standard	Streamlined	“Other”
<b>Modeling Attributes (continued)</b>	Freddie Mac PMMS Rate	X			
	PMMS Date	X			
	Evaluation Date	X			
	Property Condition		X		
	Property Status		X		
	Workout Evaluation Date (Date Borrower Response Package Received)		X		
	Workout Decision Date (Date Borrower was Decided for Modification)		X	X	X
	Primary Hardship Reason		X		

# Enter Data for and Evaluate Modifications

## Enter Mortgage Attributes

The Mortgage Attributes screen is comprised of three sections:

- Prior Modifications
- Original Mortgage Attributes
- Current Mortgage Attributes

You will complete the Mortgage Attributes screen for HAMP, Standard Modifications, and Streamlined Modifications.

The following pages identify and define the data elements in each section of the screen.

The screenshot shows the 'Mortgage Attributes' screen. At the top, 'Modification Type' is set to 'Standard Modification' and 'Modification Status' is 'Draft'. A 'Save' button is in the top right. The title 'Mortgage Attributes' is centered, with 'Expand All | Collapse All' to its right. Below are three sections:

- Prior Modifications:** A table with columns: Mod. Type, Mod. Effect. Date, First Mod. Paymt Due Date, Int. Bearing UPB, Non-Int. Bearing UPB, Gross UPB, Modified Term, Mod. Int Rate, Capitalized Amount.
- Original Mortgage Attributes:** Fields include Loan Origination Date (03/15/1993), \* Original UPB (\$) (57,091.13), \* Original Interest Rate (%) (0.000), \* Original Term (in Months) (0), and \* Original LTV (%) (100.000).
- Current Mortgage Attributes:** Fields include Current Maturity Date (04/01/2023), Current Loan Product (SFFR-30), \* Current UPB (\$) (26,269.09), \* Current Interest Rate (%) (8.000), \* Current Remaining Term (in Months) (0), \* Current P&I (\$) (457.25), \* Current Property Type (dropdown), \* Current Property Value (\$) (0.00), and \* Current Last Paid Inst. Date (DDLPI) (07/01/2016). A 'Next' button is at the bottom right.

This close-up shows the 'Current Mortgage Attributes' section. The 'Current Maturity Date' is 01/01/2035 and 'Current Loan Product' is SFFR-30. The 'Rural Housing Identifier' field is empty. A callout box on the left states: 'Note that when you select “Other modifications” as the modification type, the Rural Housing Identifier displays. This indicator does not display on this screen for any other modification option.' A red arrow points from the callout box to the 'Rural Housing Identifier' field.

## Enter Data for and Evaluate Modifications

### ***Mortgage Attributes – Prior Modifications***

This section of the Mortgage Attributes screen provides information on prior modifications for the mortgage. Prior modifications will display based on the Modification Effective Date, with the most recent modifications at the top of the list. Loans you received in a transfer of servicing (TOS) that were previously modified will also display in this section. If there are no prior modifications for the mortgage, this section will display as illustrated on the previous page. The data displayed in this section is informational only, and cannot be manually updated.

Field Definition	
<b>Modification Type</b>	<p>Indicates the type of modification as one of the following:</p> <ul style="list-style-type: none"> <li>▪ HAMP Modification</li> <li>▪ Standard Modification</li> <li>▪ Mass Mod</li> <li>▪ Alt</li> <li>▪ Streamlined Modification</li> <li>▪ Classic</li> <li>▪ SMP</li> <li>▪ FDIC</li> <li>▪ Disaster</li> <li>▪ Underwater</li> <li>▪ Litigation</li> <li>▪ Cramdown</li> <li>▪ Other mods</li> </ul>
<b>Modification Effective Date</b>	The date on which the modification was effective, which is the interest rate change date.
<b>First Modified Payment Due Date</b>	Date on which the payment was due for the first modified payment.
<b>Interest Bearing UPB</b>	The UPB of the modified mortgage subject to accruing interest as of the modification effective date. This amount does not include any forbore principal.
<b>Non-Interest Bearing UPB</b>	Total amount of principal forbore as of the modification effective date.
<b>Gross UPB</b>	Interest-bearing UPB as of the modification effective date plus the non-interest bearing UPB as of the modification effective date equals the gross UPB as of the modification effective date.
<b>Modified Term</b>	The full term of the modified mortgage, reflected in number of months, which corresponds to the same number of monthly payments due under the modification's payment schedule.
<b>Modified Interest Rate</b>	The initial interest rate for the modified mortgage. For step rates, this field displays the initial interest rate that was in effect.
<b>Capitalized Amount</b>	Capitalized Amount = Post Mod Gross UPB – Pre-Mod Gross UPB

## Enter Data for and Evaluate Modifications

### **Mortgage Attributes – Original Mortgage Attributes**

This section of the screen displays data relevant to the loan when it was originated.

Field Definition	
<b>Loan Origination Date</b>	Date on which the mortgage was originated. This field will automatically populate and cannot be edited.
<b>Original UPB</b>	<p>The UPB at origination. If the mortgage was previously modified under a prior modification program, enter the gross UPB as of the effective date of the latest modification.</p> <p>If the value entered is invalid, the following message displays:  <i>“Enter an amount between \$1.00 and \$10,000,000.00.”</i></p>
<b>Original Term (in months)</b>	<p>The total number of months, at the time of origination, the borrower has to satisfy the mortgage debt for the existing mortgage. For example, if the borrower has a 30-year mortgage, the original term in months is 360.</p> <p>If the mortgage was previously modified, enter the modified term as of the effective date of the latest modification.</p>
<b>Original Interest Rate</b>	<p>The interest rate in effect at the time of origination. If the mortgage was previously modified, enter the initial interest rate in effect as of the effective date of the latest modification.</p> <p>If you enter an invalid value, the following error message displays:  <i>“Enter a rate between 1% and 15%.”</i></p>
<b>Original LTV</b>	<p>The loan-to-value (LTV) ratio at the time of origination. If the mortgage was previously modified, enter the LTV ratio at the time of origination, not the LTV ratio as of the effective date of the modification.</p> <p>If you enter an invalid value, the following error message displays:  <i>“Enter a rate between 1% and 15%.”</i></p>

## Enter Data for and Evaluate Modifications

### ***Mortgage Attributes – Current Mortgage Attributes***

This section of the screen displays the current characteristics of the loan.

Field Definition	
<b>Current Maturity Date</b>	The date on which the existing mortgage matures and the final payment is due. This field will automatically populate and cannot be edited.
<b>Current UPB</b>	<p>The gross unpaid principal balance (UPB) reported to Freddie Mac as of the last accounting cycle cutoff.</p> <p>When you determine the final modified terms, this value must match the UPB reported to Freddie Mac as of the last accounting cycle cutoff prior to the first modified payment due date.</p> <p>If the value entered is invalid, the following message displays:</p> <p style="text-align: center;"><i>“Enter an amount between \$1.00 and \$10,000,000.00.”</i></p>
<b>Current Remaining Term (in months)</b>	<p>When you initially enter the remaining term into Workout Prospector, enter the total number of remaining months, as of the Evaluation Date (which defaults to the current date upon initial data entry), the borrower has to satisfy the mortgage debt. For example, if the borrower has a 30-year mortgage that originated two years ago, the remaining term in months is 336.</p> <p>If the mortgage was previously modified, enter the remaining term for the latest modification.</p> <p>For balloon/reset mortgages, ensure that the remaining term aligns with the remaining amortization schedule. For example, for a 7-year balloon/reset mortgage, enter 276; for a 5-year balloon/reset mortgage, enter 300.</p> <p>After you save the Trial Period End Date, Workout Prospector will set the Modification Effective Date to equal the first day of the month following the month in which the Trial Period End Date falls assuming an interim month. Prior to saving the model in the Modification Program – Approve status, you must change the value in this field to reflect the modified term (i.e., the number of months from, but not including, the Modification Effective Date to and including the maturity date) to accommodate, as applicable, the lack of an interim month or trial period extensions due to bankruptcy.</p> <p>Under no circumstances may the terms of a modification agreement be based on the remaining term entered as of the Evaluation Date.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Current Property Type</b>	Use the pick list to identify the property type as owner-occupied (primary residence), non-owner occupied (investment property), or second home.
<b>Current Last Paid Installment Date (DDLPI)</b>	Due date of the last paid installment received from the borrower (DDLPI). When determining the final modified terms to save the model into a Modification Program – Approve status, you must ensure this field reflects the DDLPI reported to Freddie Mac as of the last accounting cycle cutoff in the month prior to the first modified payment due date. You may not edit this field after you save the model in the Modification Program – Approve status.
<b>Current Loan Product</b>	Describes the type of loan. This field may pre-populate.
<b>Current Interest Rate</b>	<p>The current interest rate payable under the Note at the time of borrower qualification. For adjustable-rate Mortgages (ARMs), the rate may adjust from time to time in accordance with the terms of the Note.</p> <p>If the mortgage has a scheduled interest rate adjustment that will occur during the trial period, and you cannot determine the new interest rate at the time you prepare the Trial Period Plan documents, calculate the target payment and underwrite the borrower assuming the interest rate in effect and payment due at the time of underwriting remains unchanged during the trial period.</p> <p>For ARMs, this value may be different when you determine the final modified terms and prepare the Modification Agreement.</p> <p>For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current interest rate is equal to the interest rate in effect prior to implementation of the temporary SCRA interest rate.</p> <p>If you enter an invalid value, the following error message displays:</p> <p style="text-align: center;"><i>“Enter a rate between 1% and 15%.”</i></p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Current P&amp;I</b>	<p>The current amount of principal and interest that the borrower owes each month, even if the amount owed is interest only or a minimum amount.</p> <p>If you enter zero in this field, the following error message displays when you leave the data entry field:</p> <p><i>“Please enter a valid positive number greater than zero.”</i></p> <p>For ARMs or other payment adjusting products, this value may change during the trial period. You should use the current amount of principal and interest the borrower owes in the month you determine the final modified terms.</p> <p>For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current P&amp;I is equal to the principal and interest payment (or interest only or minimum amount payment) in effect prior to implementation of the temporary SCRA interest rate and related payment relief.</p>
<b>Current Property Value</b>	<p>Enter the property value you obtained in accordance with the requirements of Guide Sections 9206.8 (for Standard and Streamlined Modifications) and 9205.8 (for HAMP modifications).</p> <p>If a value is already displayed in this field, you must verify that the value is valid and that it is the current value per the requirements of Guide Sections 9206.8 (for Standard and Streamlined Modifications) and 9205.8 (for HAMP modifications).</p> <p>The property value you enter must be greater than zero.</p>
<b>Rural Housing Identifier</b>	<p>This field displays when you select “Other modification” as the modification type. It is read-only and will automatically be checked for loans identified in our system as a Rural Housing Service (RHS) Section 502 Guaranteed Rural Housing mortgage. This indicator does not display for any other modification option.</p>

### When You Have Completed the Mortgage Attributes Screen

After you have entered all required data on the Mortgage Attributes screen, click **Next** to proceed to the Modeling Attributes screen.

The screenshot shows a web form with several input fields. At the top, there are dropdown menus for 'Current Property Type' (set to 'Owner Occupied') and 'Current Property Value (\$)'. Below these is a date field for 'Current Last Paid Inst. Date (DDLPI)' set to '12/01/2013'. A red arrow points to a 'Next' button in the bottom right corner of the form.

Workout Prospector will run a series of field validations for the Mortgage Attributes screen prior to displaying the Modeling Attributes screen. Make any necessary corrections to the data you entered, and click **Next** again to continue.

# Enter Data for and Evaluate Modifications

## Modeling Attributes

The Modeling Attributes screen, shown below, displays when you click **Next** on the Mortgage Attributes screen.

Modification Type:  Modification Status: **Draft**

### Modeling Attributes

[Expand All](#) | [Collapse All](#)

**Arrearages/Capitalization**

Suspense/Restricted Escrow (\$):	<input type="text" value="0.00"/>	Legal Fees and Costs (\$):	<input type="text" value="0.00"/>
Borrower Contribution (\$):	<input type="text" value="0.00"/>	Property Preservation (\$):	<input type="text" value="0.00"/>
MI Partial Claim Amount (\$):	<input type="text" value="0.00"/>	Escrow Advances (\$):	<input type="text" value="0.00"/>
Projected Escrow Shortage (\$):	<input type="text" value="0.00"/>	Delinquent Interest (\$):	<input type="text" value="525.38"/>
Actual Monthly Escrow Shortage Payment (\$):	<input type="text" value="0.00"/>	Actual Escrow Shortage (\$):	<input type="text" value="0.00"/>
Total Capitalized Arrears (\$):	<input type="text" value="0.00"/>		

**Borrower & Co-Borrower Assets, Income & Expenses**

Borrower Assets & Income		Borrower	Co-Borrower
Checking Accounts (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Savings/Money Market (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Stocks/Bonds/CD (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
* Monthly Gross Employment Income (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Monthly Net Income (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Monthly Gross Unemployment Income (\$):	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>

**Rental Income**

Monthly Gross Rental Income (\$):

**Borrower Expenses**

* Monthly Property Taxes (\$):	<input type="text" value="271.58"/>	Monthly Hazard/Flood Insurance (\$):	<input type="text" value="0.00"/>
Monthly Mortgage Insurance (\$):	<input type="text" value="0.00"/>	Monthly HOA/Condo Fee (\$):	<input type="text" value="0.00"/>
Monthly Liabilities (\$):	<input type="text" value="0.00"/>	Monthly Living/Miscellaneous Expenses (\$):	<input type="text" value="0.00"/>

**Additional Information**

FICO	ARM	Mortgage Insurance (MI)
* Borrower FICO: <input type="text" value="0"/>	Next ARM Reset Rate (%): <input type="text" value="0.000"/>	MI Coverage Percent (%): <input type="text" value="0"/>
Co-Borrower FICO: <input type="text" value="0"/>	Next ARM Reset Date: <input type="text" value=""/>	

**Imminent Default**

Imminent Default Indicator (Result):

Imminent Default Hardship Reason:

- Death of borrower / co-borrower
- Divorce or legal separation of borrower / co-borrower
- Disability or illness that results in increase in major medical expenses
- Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law
- Principal and interest payment increase as a result of an interest rate adjustment applied to a step-rate mortgage no more than 12 months prior to the evaluation date

**Additional Modification Inputs - Standard Modification**

* Property Condition: <input type="text" value=""/>	* Property Status Vacancy: <input type="radio"/> Yes <input type="radio"/> No
* Workout Evaluation Date: (Date Borrower Response Package received) <input type="text" value=""/>	* Workout Decision Date: (Date Borrower was decided for modification) <input type="text" value="10/18/2016"/>
* Primary Hardship Reason: <input type="text" value=""/>	Primary Residence Mthly Mortgage Expenses (PITI/AS) (\$): <input type="text" value="0.00"/>
Disaster Modification: <input type="checkbox"/>	

## Enter Data for and Evaluate Modifications

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The Modeling Attributes screen is comprised of the following sections:

- Arrearages/Capitalization
- Borrower and Co-borrower Assets, Income, and Expenses
- Additional Information
- Additional Modification Inputs (Additional data specific to the modification type you are evaluating)

You must complete the Mortgage Attributes screen for HAMP modifications, Standard Modifications, Streamlined Modifications, and “other modifications.” The last section of the screen, titled “Additional Modification Inputs” includes data specific to the type of modification you are evaluating.

## Enter Data for and Evaluate Modifications

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### **Modeling Attributes – Arrearages and Capitalization**

Refer to the following table to ensure you providing the appropriate information in each field.

Field Definition	
<b>Suspense/ Restricted Escrow</b>	<p>Total funds that are currently being held in suspense, and have not yet been allocated. This value may change when determining the final modified terms to save the model in a Modification Program – Approve status. When determining the final modified terms, enter the sum of the following items:</p> <ul style="list-style-type: none"> <li>▪ Funds held in suspense, which include funds held for payments received but unapplied during the trial period</li> <li>▪ Restricted escrow</li> </ul> <p>This value is subtracted from the total arrearages when they are capitalized.</p>
<b>Borrower Contribution</b>	<p>The total cash amount the borrower will contribute toward the UPB, delinquent interest, and other arrearages.</p> <p>A borrower may make a contribution under HAMP, but a Servicer may not require a contribution as a condition to granting a HAMP modification to an otherwise eligible borrower.</p> <p>However, a borrower is required to make a contribution toward the arrearages in accordance with Guide Section 9206.15.</p>
<b>MI Partial Claim Amount</b>	Do not enter a value in this field.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Projected Escrow Shortage</b>	<p>Total projected escrow amounts that will come due once the loan has been modified and would cause the balance to drop below the targeted escrow balance.</p> <p>For taxes and insurance premiums that are not yet due before the effective date of the modification, you must determine the amount needed to establish the escrow account that, together with the monthly escrow payment included in the monthly mortgage payment, will be sufficient to pay all future taxes and insurance premiums when they are due.</p> <p>Projected escrow amounts may not be capitalized in the UPB of the mortgage. The borrower may remit the shortage over a 60-month period or in a lump sum payment.</p> <p>Complete this field only if one of the following occurs:</p> <ul style="list-style-type: none"> <li>▪ The borrower elects to pay the shortage over a 60-month period.</li> <li>▪ The borrower's intent is not known prior to the start of the trial period. In this case, assume the shortage will be spread equally over a 60-month period.</li> </ul> <p>This value may change when you determine the final modified terms.</p>
<b>Actual Monthly Escrow Shortage Payment</b>	<p>The amount the borrower is currently required to pay each month for the Actual Escrow Shortage at the time of evaluation. This is the value used when calculating the borrower's current monthly housing expense-to-income ratio. If the existing mortgage does not have an escrow account, ensure that zero is displayed in this field.</p>
<b>Total Capitalized Arrears</b>	<p>This field automatically populates and is equal to:</p> <div style="text-align: center;"> <p>Legal Fees and Costs</p> <p>+ Property Preservation</p> <p>+ Escrow Advances</p> <p>+ Delinquent Interest</p> <p>- Suspense/Restricted Escrow</p> <p>- Borrower Contribution</p> <hr style="width: 50%; margin: 0 auto;"/> <p>= Total Capitalized Arrears</p> </div>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Legal Fees and Costs</b>	Foreclosure expenses incurred, including legal fees and costs incurred as part of the foreclosure process that will accrue from the DDLPI through the end of the Trial Period and that will be capitalized to the mortgage. See Guide Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i> .
<b>Property Preservation</b>	Property preservation expenses, including property inspection fees that have been incurred from the DDLPI through the end of the trial period and that will be capitalized to the mortgage. The expenses must not exceed the limits outlined in Guide Exhibit 57, <i>1-4 Unit Property Approved Expense Amounts</i> . This value may change when you determine the final modified terms.
<b>Escrow Advances</b>	Any advances previously made by the Servicer and any advances that will be made during the Trial Period to pay property taxes or insurance premiums. These amounts may be capitalized in the UPB as part of the qualification process as long as they are paid to third parties prior to the modification. You must use known amounts due for taxes and insurance premiums when qualifying the borrower and determining the final terms of the Modification Agreement.
<b>Delinquent Interest</b>	<p>The total amount of delinquent interest that has accrued or will accrue from the DDLPI through the end of the trial period. To determine the amount of delinquent interest, use the following calculation:</p> $(\text{UPB} \times \text{Interest Rate}) \div 12 \times \text{Number of months from DDLPI through the effective date of the modification interest rate change.}$ <p>Ensure that you account for any interest rate changes that occurred from the DDLPI through the effective date of the modification interest rate change.</p> <p>This value may change from the date you prepare the Trial Period Plan to when you determine the final modified terms. When determining the final modified terms, the UPB and DDLPI used in the above calculation must be the UPB and DDLPI reported to Freddie Mac as of the accounting cycle cut-off prior to the first modified payment due date.</p> <p>Note: You may not calculate delinquent interest using a “declining balance method” when the borrower has not been making any payments. In that case, interest accrues under the Note against the static UPB from the DDLPI until a payment is posted to the account.</p>
<b>Actual Escrow Shortage</b>	The total escrow shortage (not the monthly payment) on the existing mortgage, prior to modification, for the loan you are evaluating.

## Enter Data for and Evaluate Modifications

### ***Modeling Attributes – Borrower and Co-borrower Assets, Income, and Expenses***

Refer to the following table to ensure you providing the appropriate income, asset, and expense information in each field.

Field Definition	
<b>Checking Accounts</b>	Total dollar amount of all balances for all checking accounts.
<b>Savings/Money Market</b>	Total balance of all passbook and statement savings accounts, and money market accounts. Do not include retirement accounts.
<b>Stocks/Bonds/CD</b>	Estimated market value of all stocks, bonds, and certificates of deposit. Do not include retirement accounts.
<b>Monthly Gross Employment Income</b>	Total monthly gross employment income for all borrowers on the Note plus any non-obligor documented income being used. Include any other income in this field (e.g., gross monthly rental income from other non-owner occupied rental properties, but negative net rental income from other non-owner occupied rental properties should be ignored for purposes of calculating gross income). Note that rental income received from the subject property must be documented in the Monthly Gross Rental Income field on this screen.
<b>Monthly Net Income</b>	Total monthly net income for all borrowers on the Note plus any non-obligor income being used.
<b>Monthly Gross Unemployment Income</b>	Do not enter a value in this field. You must not consider unemployment benefits as a source of income when evaluating a borrower for a Trial Period Plan under HAMP or Standard Modification.  You must first comply with the unemployment forbearance requirements in Guide Sections 9203.22 through 9203.24 before considering an unemployed borrower for a loan modification.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Monthly Gross Rental Income</b>	<p>The total gross monthly rental income the borrower receives from the subject property. This field defaults to zero.</p> <p>If you delete the value and click <b>Submit for Calc</b>, the following message displays:</p> <p style="text-align: center;"><i>“Value is required.”</i></p> <p>This field is not required when evaluating a borrower for a Streamlined Modification.</p>
<b>Monthly Property Taxes</b>	<p>1/12th of the required annual escrow amount for the payment of property taxes, plus the applicable monthly escrow cushion.</p> <p>You must conduct an escrow analysis for those borrowers without an escrow account to determine this amount for HAMP and Standard Modification eligibility and for purposes of determining the Trial Period Plan payment for HAMP, Standard, and Streamlined Modifications.</p>
<b>Monthly Mortgage Insurance</b>	<p>1/12th of the required annual mortgage insurance premium assessed for the property, plus the applicable monthly escrow cushion.</p> <p>You must conduct an escrow analysis for those borrowers without an escrow account to determine this amount for HAMP and Standard Modification eligibility and for purposes of determining the Trial Period Plan payment for HAMP, Standard, and Streamlined Modifications.</p>
<b>Monthly Liabilities</b>	<p>Include the monthly payments due on the following:</p> <ul style="list-style-type: none"> <li>▪ Installment debt, revolving accounts, HELOCs, student loans</li> <li>▪ Alimony and separate maintenance payments with more than 10 months of payments remaining</li> <li>▪ Car lease payments, regardless of the number of months remaining</li> <li>▪ Aggregate negative net rental income from all investment properties owned</li> <li>▪ Monthly mortgage payment for second home</li> <li>▪ Payments on any subordinate lien</li> </ul> <p>Refer to Guide Sections 9205.4 and 9205.8 for additional detailed information.</p> <p><b>Do not include mortgage insurance premiums or the P&amp;I payment for the subject property in this field.</b></p> <p><i>This field is required only if the amount is greater than zero and you are evaluating the borrower for HAMP.</i></p>

## Enter Data for and Evaluate Modifications

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Field Definition	
<b>Monthly Hazard/Flood Insurance</b>	<p>1/12th of the annual escrow amount that you collect for the payment of hazard insurance premiums, plus the applicable monthly escrow cushion.</p> <p>1/12th of the annual flood insurance premium assessed for the property, plus the applicable monthly escrow cushion.</p> <p>You must conduct an escrow analysis for those borrowers without an escrow account to determine this amount for HAMP and Standard Modification eligibility and for purposes of determining the Trial Period Plan payment for HAMP, Standard, and Streamlined Modifications.</p>
<b>Monthly HOA/Condo Fees</b>	<p>Total monthly homeowners' association or condo fees assessed for the property.</p> <p>You must conduct an escrow analysis for those borrowers without an escrow account to determine this amount for HAMP and Standard Modification eligibility and for purposes of determining the Trial Period Plan payment for HAMP, Standard, and Streamlined Modifications.</p>
<b>Monthly Living/Miscellaneous Expenses</b>	<p>This field is no longer required. If you are prompted to enter a value, you may enter zero.</p>

## Enter Data for and Evaluate Modifications

### Modeling Attributes – Additional Information

Refer to the following table to ensure you providing the appropriate information in each field.

Field Definition	
<b>Borrower FICO</b>	<p>The borrower’s FICO score. This is the FICO score that is input into the Treasury Net Present Value (TNPV) model or Imminent Default Indicator. If a borrower does not have a FICO score, contact your Freddie Mac representative for further instructions.</p> <p>This field is required only for all HAMP TNPV evaluations, for any imminent default evaluation, and for all Streamlined Modification evaluations.</p>
<b>Co-borrower FICO</b>	<p>The co-borrower’s FICO score.</p> <p>This field is required only for all HAMP TNPV evaluations, for any imminent default evaluation, and for all Streamlined Modification evaluations.</p>
<b>Next ARM Reset Rate</b>	<p>If known, enter the next interest rate that will be effective on the next reset date. If the next ARM reset rate is unknown, enter the current interest rate. Applicable to and required for adjustable-rate mortgages (ARMs) only. Workout Prospector determines if the loan is an ARM based on the data displayed in the Loan Product field.</p> <p>If you do not provide this information for an ARM, the following error message displays when you click <b>Save</b>:</p> <p style="text-align: center;"><i>“Value is required.”</i></p>
<b>Next ARM Reset Date</b>	<p>Date on which the interest rate is scheduled to reset. Applicable to and required for adjustable-rate mortgages (ARMs) only. Workout Prospector determines if the loan is an ARM based on the data displayed in the Loan Product field.</p> <p>If you do not provide this information for an ARM, the following error message displays when you click <b>Save</b>:</p> <p style="text-align: center;"><i>“Value is required.”</i></p>

## Enter Data for and Evaluate Modifications

Field Definition							
<b>MI Coverage Percent</b>	The mortgage insurance coverage in effect for the loan. Enter only a whole number in this field. Do not enter a decimal value.						
<b>Imminent Default Indicator Result</b>	Once you have determined the borrower's cash reserves are less than \$25,000, you must continue the imminent default evaluation using Imminent Default Indicator™.						
	Imminent Default Indicator will return a result of "1" or "2" in the output file. Enter the result in this field.						
	<table border="1"> <thead> <tr> <th>If the Imminent Default Indicator result is</th> <th>Then</th> </tr> </thead> <tbody> <tr> <td>"1" and cash reserves are less than \$25,000</td> <td>The borrower is considered to be in imminent default. No further analysis is required to determine imminent default.</td> </tr> <tr> <td>"2" and cash reserves are less than \$25,000</td> <td>You must further evaluate the borrower for imminent default in accordance with Guide Section 9205.7.</td> </tr> </tbody> </table>	If the Imminent Default Indicator result is	Then	"1" and cash reserves are less than \$25,000	The borrower is considered to be in imminent default. No further analysis is required to determine imminent default.	"2" and cash reserves are less than \$25,000	You must further evaluate the borrower for imminent default in accordance with Guide Section 9205.7.
	If the Imminent Default Indicator result is	Then					
"1" and cash reserves are less than \$25,000	The borrower is considered to be in imminent default. No further analysis is required to determine imminent default.						
"2" and cash reserves are less than \$25,000	You must further evaluate the borrower for imminent default in accordance with Guide Section 9205.7.						
<b>Imminent Default Hardship Reason</b>	<p>If you enter an Imminent Default Indicator result of "2" in the Imminent Default Indicator Result field, you must validate whether the borrower is experiencing one of the specific imminent default hardships displayed in this section of the screen. If the borrower is experiencing one of the imminent default hardships identified, click the appropriate check box.</p> <p>If you enter a result of "2" in the Imminent Default Indicator Result field, and do not select a hardship reason in this section of the screen, the following message displays and a modification solution will not be calculated:</p> <p><i>"Workout Prospector cannot process the criteria for the subject borrower. Please verify the accuracy of the data and recheck the criteria for determining imminent default prior to resubmitting. If Workout Prospector cannot provide results, please underwrite the borrower manually according to the applicable imminent default requirements of your Freddie Mac Servicing Contract."</i></p> <p>Refer to Guide Sections 9205.7 and 9206.7 for additional information.</p>						

# Enter Data for and Evaluate Modifications

## Modeling Attributes – Additional Modification Inputs – HAMP

When you are modeling a HAMP Modification, the Additional Modification Inputs section of the Modeling Attributes screen displays as shown below.

The screenshot shows a web form titled "Additional Modification Inputs - HAMP Modification". It contains the following fields and values:

- \* Evaluation Date: 10/18/2016
- \* PMMS Date: 09/15/2016
- \* Freddie Mac PMMS Rate: 3.500 (with a "PMMS Rate" label)
- TNPV Run Date: (empty)
- TNPV Value Mod (\$): 0.00
- TNPV Value No Mod (\$): 0.00

At the bottom of the form, there are two buttons: "Back" on the left and "Submit for Calc" on the right.

Refer to the following table to ensure you providing the appropriate information in each field.

Field Definition	
<b>Evaluation Date</b>	<p>The date on which you evaluated the borrower, property, and mortgage for a modification under HAMP based on the information currently entered into Workout Prospector. The evaluation date may not be a future date.</p> <ul style="list-style-type: none"> <li>▪ For initial data entry, this field automatically populates with the current date.</li> <li>▪ You may edit this field if the loan has never been saved with any of the following statuses: <ul style="list-style-type: none"> <li>– Trial Period – Approve</li> <li>– Modification Program – Approve</li> </ul> </li> </ul> <p>When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date in this field is set to the Workout Decision Date for the Streamlined Modification Trial Period Plan if the model was saved in the Trial Period – Approve status.</p>

## Enter Data for and Evaluate Modifications

Field Definition										
<b>PMMS Date</b>	<p>Date on which the most recent Primary Mortgage Market Survey® (PMMS®) data was published when preparing a HAMP Trial Period Plan or Modification Agreement. You may edit (override) this field until you save the model in the “Modification Program – Approve” status.</p> <p>This field will continue to automatically populate with the latest available rate until one of the following occurs:</p> <ul style="list-style-type: none"><li>▪ The model is saved in the “Modification Program – Approve” status.</li><li>▪ You edit the Freddie Mac PMMS Rate and Freddie Mac PMMS Date fields.</li></ul> <div data-bbox="852 787 1247 1075"><table border="1"><thead><tr><th>30-Yr FRM</th><th>15-Yr FRM</th><th>5/1-Yr ARM</th></tr></thead><tbody><tr><td>3.42%</td><td>2.72%</td><td>2.80%</td></tr><tr><td>0.5 Fees/Points</td><td>0.5 Fees/Points</td><td>0.4 Fees/Points</td></tr></tbody></table></div> <p>If you save the model in the “Modification Program – Approve” status, the PMMS Date must be equal to or greater than the first day of the month prior to the month in which the Trial Period End Date occurs and less than or equal to the first day of the month following the Trial Period End Date. If the PMMS Date does not fall within this range, the following message displays:</p> <p><i>“PMMS Date is not in alignment with Trial Period End Date.”</i></p> <p>Example: If the Trial Period End Date is 7/31/2013, the message will not display if the PMMS Date is equal to or greater than 6/1/2013 and equal to or less than 8/1/2013.</p>	30-Yr FRM	15-Yr FRM	5/1-Yr ARM	3.42%	2.72%	2.80%	0.5 Fees/Points	0.5 Fees/Points	0.4 Fees/Points
30-Yr FRM	15-Yr FRM	5/1-Yr ARM								
3.42%	2.72%	2.80%								
0.5 Fees/Points	0.5 Fees/Points	0.4 Fees/Points								

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Freddie Mac PMMS Rate</b>	<p>This field automatically populates with the average rate for a 30-year fixed-rate mortgage, as determined by the PMMS<sup>®</sup> that is currently in effect. Survey data is collected from Monday through Wednesday and the results are posted on FreddieMac.com on Thursdays.</p> <p>You may edit (override) this field until you save the model in the “Modification Program – Approve” status.</p> <p>This field will continue to automatically populate with the latest available rate until one of the following occurs:</p> <ul style="list-style-type: none"><li>▪ The model is saved in the “Modification Program – Approve” status.</li><li>▪ You edit the Freddie Mac PMMS Rate and PMMS Date fields.</li></ul>  <p><b>PMMS Rate Button:</b></p> <p>If you edited the Freddie Mac PMMS Rate and PMMS Date fields and want to reset the fields to reflect the latest available data, click the <b>PMMS Rate</b> button. You may use this button to reset the data until the loan is saved in the “Modification Program – Approve” status.</p> <p>When you click this button, the following message displays:</p> <p><i>“Do you want to set the PMMS fields to be in sync with the current PMMS rate and date? Please confirm that the PMMS Rate and Date reflect the rate as of the date the modification documents were prepared.”</i></p> <p>Click <b>OK</b> to confirm that you want to sync with the current PMMS rate and date. Click <b>Cancel</b> to retain the data currently displayed.</p> <p>Note: If you use this button to sync the Freddie Mac PMMS Rate and PMMS Date fields with the latest available data, the fields are no longer considered to be overridden.</p>

## Enter Data for and Evaluate Modifications

Field Definition		
<b>TNPV Value Mod</b>	<p>The Treasury net present value of the loan with a modification.</p> <p>If you enter a value that exceeds the data entry parameters for this field, the following error message displays:</p> <p><i>“Enter an amount between -9,999,999.99 and 9,999,999.99.”</i></p>	<p>Mortgages that meet HAMP eligibility criteria must be evaluated using the Net Present Value (NPV) test in accordance with Guide Section 9205.8. Use the results you receive for the NPV test to complete this section of the screen. You must complete this section of the screen to save the loan in a Trial Period - Approve status. This section is not required for Standard Modification or Streamlined Modification evaluations.</p>
<b>TNPV Run Date</b>	<p>The date on which the TNPV test was run.</p>	
<b>TNPV Value No Mod</b>	<p>The Treasury net present value of the loan without a modification.</p> <p>If you enter a value that exceeds the data entry parameters for this field, the following error message displays:</p> <p><i>“Enter an amount between -9,999,999.99 and 9,999,999.99.”</i></p>	

If you click **Submit for Calc** and have not completed the three TNPV fields listed above, the following message displays at the top of the Modification Solution screen:



## Enter Data for and Evaluate Modifications

### Modeling Attributes – Additional Modification Inputs – Standard Mod

When you are modeling a Standard Modification, the Additional Modification Inputs section of the Modeling Attributes screen displays as shown below.

Refer to the following table to ensure you providing the appropriate information in each field.

Field Definition	
<b>Property Condition</b>	<p>Select one of the following from the pick list to indicate the condition of the property:</p> <ul style="list-style-type: none"> <li>▪ Condemned</li> <li>▪ Abandoned (Note: Workout Prospector will not process HAMP or Standard Modifications for mortgages secured by properties with an “Abandoned” property condition.)</li> <li>▪ N/A</li> </ul>
<b>Workout Evaluation Date (Date Borrower Response Package Received)</b>	<p>The date on which you receive a complete Borrower Response Package.</p> <p>The date you enter must be equal to or later than September 1, 2011. If the date you enter is earlier than September 1, 2011, the following message displays:</p> <p style="text-align: center;"><i>“Cannot be prior to 09/01/2011.”</i></p> <p>This field is not required when evaluating a borrower for a Streamlined Modification, but should be completed when evaluating a complete Borrower Response Package that arrives during the Streamlined Modification trial period and before the final modification agreement is prepared.</p>

## Enter Data for and Evaluate Modifications

Field Definition															
<b>Primary Hardship Reason</b>	Select the appropriate primary reason for hardship from the pick list based on the hardship documented on Form 710, <i>Uniform Borrower Assistance Form</i> . This field is not required for Streamlined Modifications.														
	<table border="1"> <thead> <tr> <th>If the hardship selected on Form 710 is:</th> <th>Select the following from the pick list:</th> </tr> </thead> <tbody> <tr> <td>Unemployment</td> <td>Curtailment of Income</td> </tr> <tr> <td>Reduction in Income: A hardship that has caused a decrease in your income due to circumstances outside your control (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)</td> <td>Curtailment of Income</td> </tr> <tr> <td>Increase in Housing Expenses: A hardship that has caused an increase in your housing expenses due to circumstances outside your control</td> <td>Other Note: You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i>.</td> </tr> <tr> <td>Divorce or legal separation; Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law</td> <td>Marital Difficulties</td> </tr> <tr> <td>Death of a borrower or death of either the primary or secondary wage earner in the household</td> <td>Death of Mortgagor</td> </tr> <tr> <td>Long term or permanent disability; serious illness of a borrower/co-borrower or dependent family member</td> <td>Illness of Mortgagor</td> </tr> </tbody> </table>	If the hardship selected on Form 710 is:	Select the following from the pick list:	Unemployment	Curtailment of Income	Reduction in Income: A hardship that has caused a decrease in your income due to circumstances outside your control (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)	Curtailment of Income	Increase in Housing Expenses: A hardship that has caused an increase in your housing expenses due to circumstances outside your control	Other Note: You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .	Divorce or legal separation; Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law	Marital Difficulties	Death of a borrower or death of either the primary or secondary wage earner in the household	Death of Mortgagor	Long term or permanent disability; serious illness of a borrower/co-borrower or dependent family member	Illness of Mortgagor
	If the hardship selected on Form 710 is:	Select the following from the pick list:													
	Unemployment	Curtailment of Income													
	Reduction in Income: A hardship that has caused a decrease in your income due to circumstances outside your control (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)	Curtailment of Income													
	Increase in Housing Expenses: A hardship that has caused an increase in your housing expenses due to circumstances outside your control	Other Note: You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .													
	Divorce or legal separation; Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law	Marital Difficulties													
	Death of a borrower or death of either the primary or secondary wage earner in the household	Death of Mortgagor													
Long term or permanent disability; serious illness of a borrower/co-borrower or dependent family member	Illness of Mortgagor														
Unemployment	Curtailment of Income														
Reduction in Income: A hardship that has caused a decrease in your income due to circumstances outside your control (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)	Curtailment of Income														
Increase in Housing Expenses: A hardship that has caused an increase in your housing expenses due to circumstances outside your control	Other Note: You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .														
Divorce or legal separation; Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law	Marital Difficulties														
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Long term or permanent disability; serious illness of a borrower/co-borrower or dependent family member	Illness of Mortgagor														

## Enter Data for and Evaluate Modifications

Field Definition											
<b>Primary Hardship Reason (continued)</b>	Select the appropriate primary reason for hardship from the pick list based on the hardship documented on Form 710, <i>Uniform Borrower Assistance Form</i> . This field is not required for Streamlined Modifications.										
	<table border="1"> <thead> <tr> <th>If the hardship selected on Form 710 is:</th> <th>Select the following from the pick list:</th> </tr> </thead> <tbody> <tr> <td>Disaster (natural or man-made) adversely impacting the property or borrower's place of employment</td> <td>Disaster (Natural or Man-Made)</td> </tr> <tr> <td>Distant employment transfer/ Relocation</td> <td>Distant Employment Transfer</td> </tr> <tr> <td>Business failure</td> <td>Business Failure</td> </tr> <tr> <td>Other: A hardship that is not covered above.</td> <td>                     Other  <b>Note:</b> You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i>.                 </td> </tr> </tbody> </table>	If the hardship selected on Form 710 is:	Select the following from the pick list:	Disaster (natural or man-made) adversely impacting the property or borrower's place of employment	Disaster (Natural or Man-Made)	Distant employment transfer/ Relocation	Distant Employment Transfer	Business failure	Business Failure	Other: A hardship that is not covered above.	Other <b>Note:</b> You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .
	If the hardship selected on Form 710 is:	Select the following from the pick list:									
	Disaster (natural or man-made) adversely impacting the property or borrower's place of employment	Disaster (Natural or Man-Made)									
	Distant employment transfer/ Relocation	Distant Employment Transfer									
	Business failure	Business Failure									
Other: A hardship that is not covered above.	Other <b>Note:</b> You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .										
Disaster (natural or man-made) adversely impacting the property or borrower's place of employment	Disaster (Natural or Man-Made)										
Distant employment transfer/ Relocation	Distant Employment Transfer										
Business failure	Business Failure										
Other: A hardship that is not covered above.	Other <b>Note:</b> You must enter a description of the primary hardship on the Comments screen. For additional information about completing the Comments screen, refer to Chapter 4, <i>Document Comments for Modifications</i> .										
<b>Property Status Vacancy</b>	Indicates whether the property is vacant. Select "Yes" if the property is currently vacant. Select "No" if it is not vacant.										

## Enter Data for and Evaluate Modifications

Field Definition		
<b>Workout Decision Date (Date Borrower Evaluated for Modification)</b>	<p>The date on which eligibility for a Standard Modification Trial Period Plan is determined.</p> <p>The date on which you evaluated the borrower, property, and mortgage for Standard Modification Trial Period Plan eligibility based on the information provided in the Borrower Response Package and currently entered into Workout Prospector.</p> <ul style="list-style-type: none"> <li>▪ For initial data entry, this field automatically populates with the current date.</li> <li>▪ You may edit this field if the loan has never been saved with any of the following statuses: <ul style="list-style-type: none"> <li>– Trial Period – Approve</li> <li>– Modification Program – Approve</li> </ul> </li> <li>▪ For Standard Modifications, the date you enter must be equal to or later than September 1, 2011. If the date you enter is earlier than September 1, 2011, the following message displays: <p style="text-align: center;"><i>“Cannot be prior to 09/01/2011.”</i></p> </li> <li>▪ The date must not be a future date. If the date you enter is a future date, the following message displays: <p style="text-align: center;"><i>“Cannot be a future date.”</i></p> </li> </ul>	
<b>Primary Residence Monthly Mortgage Expenses (PITIAS)</b>	Enter a value greater than zero in this field if you selected “Non-Owner Occupied” or “2 <sup>nd</sup> Home” in the Property Type field. Leave this field blank for owner-occupied properties.	
	<b>If this field:</b>	<b>The following message displays:</b>
	Is populated for owner-occupied properties	<i>“Value must be zero.”</i>
Is not populated for non-owner occupied or second homes	<i>“Value cannot be zero.”</i>	
<b>Disaster Modification</b>	Check this box for disaster-related modifications.	

## Enter Data for and Evaluate Modifications

### Modeling Attributes – Additional Modification Inputs – Streamlined Mod

When you are modeling a Streamlined Modification, the Additional Modification Inputs section of the Modeling Attributes screen displays as shown below.

Refer to the following table for a description of each field.

Field Definition	
<b>Property Condition</b>	<p>Select one of the following from the pick list to indicate the condition of the property:</p> <ul style="list-style-type: none"> <li>▪ Condemned</li> <li>▪ Abandoned (Note: Workout Prospector will not process HAMP or Standard Modifications for mortgages secured by properties with an “Abandoned” property condition.)</li> <li>▪ N/A</li> </ul>
<b>Workout Evaluation Date (Date Borrower Response Package Received)</b>	<p>The date on which you receive a complete Borrower Response Package.</p> <p>The date you enter must be equal to or later than October 1, 2012. If the date you enter is earlier than October 1, 2012, the following message displays:</p> <p style="text-align: center;"><i>“Cannot be prior to 10/01/2012.”</i></p> <p>This field is not required when evaluating a borrower for a Streamlined Modification, but should be completed when evaluating a complete Borrower Response Package that arrives during the Streamlined Modification trial period and before the final modification agreement is prepared.</p>
<b>Primary Hardship Reason</b>	<p>This field is not required for Streamlined Modifications.</p>
<b>Property Status Vacancy</b>	<p>Indicates whether the property is vacant. Select “Yes” if the property is currently vacant. Select “No” if it is not vacant.</p>

## Enter Data for and Evaluate Modifications

Field Definition							
<b>Workout Decision Date (Date Borrower Evaluated for Modification)</b>	<p>The date on which eligibility for a Streamlined Modification Trial Period Plan is determined.</p> <p>The date on which you evaluate the borrower, property, and mortgage for Streamlined Modification Trial Period Plan eligibility.</p> <ul style="list-style-type: none"> <li>▪ For initial data entry, this field automatically populates with the current date.</li> <li>▪ You may edit this field if the loan has never been saved with any of the following statuses: <ul style="list-style-type: none"> <li>– Trial Period – Approve</li> <li>– Modification Program – Approve</li> </ul> </li> <li>▪ For Streamlined Modifications, the date you enter must be equal to or later than May 1, 2013. If the date you enter is earlier than May 1, 2013, the following message displays: <p style="text-align: center;"><i>“Cannot be prior to 05/01/013.”</i></p> </li> <li>▪ The date must not be a future date. If the date you enter is a future date, the following message displays: <p style="text-align: center;"><i>“Cannot be a future date.”</i></p> </li> <li>▪ When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date displayed in this field will display in the Evaluation Date field on the Modeling Attributes screen if the model was saved in the Trial Period – Approve status.</li> </ul>						
<b>Primary Residence Monthly Mortgage Expenses (PITIAS)</b>	<p>Enter a value greater than zero in this field if you selected “Non-Owner Occupied” or “2<sup>nd</sup> Home” in the Property Type field. Leave this field blank for owner-occupied properties.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9ead3;">If this field:</th> <th style="background-color: #d9ead3;">The following message displays:</th> </tr> </thead> <tbody> <tr> <td>Is populated for owner-occupied properties</td> <td><i>“Value must be zero.”</i></td> </tr> <tr> <td>Is not populated for non-owner occupied or second homes</td> <td><i>“Value cannot be zero.”</i></td> </tr> </tbody> </table>	If this field:	The following message displays:	Is populated for owner-occupied properties	<i>“Value must be zero.”</i>	Is not populated for non-owner occupied or second homes	<i>“Value cannot be zero.”</i>
If this field:	The following message displays:						
Is populated for owner-occupied properties	<i>“Value must be zero.”</i>						
Is not populated for non-owner occupied or second homes	<i>“Value cannot be zero.”</i>						

## Enter Data for and Evaluate Modifications

### Modeling Attributes – Additional Modification Inputs – Other Modifications

When you are modeling “other modifications”, the Additional Modification Inputs section of the Modeling Attributes screen displays as shown below.

Refer to the following table for a description of each field.

Field Definition	
<b>Property Condition</b>	Select one of the following from the pick list to indicate the condition of the property: <ul style="list-style-type: none"> <li>▪ Condemned</li> <li>▪ Abandoned</li> <li>▪ N/A</li> </ul>
<b>Workout Evaluation Date (Date Borrower Response Package Received)</b>	The date on which you receive a complete Borrower Response Package.
<b>Primary Hardship Reason</b>	This field is not required for “other modifications.”
<b>Property Status Vacancy</b>	Indicates whether the property is vacant. Select “Yes” if the property is currently vacant. Select “No” if it is not vacant.
<b>Workout Decision Date (Date Borrower Evaluated for Modification)</b>	The date on which eligibility for an “other modification” is determined. The date on which you evaluate the borrower, property, and mortgage for eligibility. <ul style="list-style-type: none"> <li>▪ For initial data entry, this field automatically populates with the current date.</li> <li>▪ The date must not be a future date. If the date you enter is a future date, the following message displays:  <p style="text-align: center;"><i>“Cannot be a future date.”</i></p> </li> </ul>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Primary Residence Monthly Mortgage Expenses (PITIAS)</b>	Enter a value greater than zero in this field if you selected “Non-Owner Occupied” or “2 <sup>nd</sup> Home” in the Property Type field. Leave this field blank for owner-occupied properties.

### Submit the Data for Calculation

After you enter data on the Mortgage Attributes and Modeling Attributes screens, you are ready to run the calculations. To do this, click **Submit for Calc**.

When you click **Submit for Calc**, Workout Prospector runs a series of field validations on the Modeling Attributes screen and performs calculations to determine the terms of a modification solution. However, you must ensure that the terms are consistent with the Guide and your delegated decision making authority.

If:	Then:
There are no field validation errors	The Modification Solution screen displays.
There are field validation errors	Make the necessary corrections to the data you entered and click <b>Submit for Calc</b> .

# Enter Data for and Evaluate Modifications

## Modification Solution for HAMP

The Modification Solution screen for HAMP provides a comparison between the current terms of the existing mortgage, and the proposed terms of the HAMP modification. Refer to the following pages for a description of each field.

### Modification Solution

**Modification Type: HAMP Modification**

Loan Attributes				Total Capitalized Arrears	
	Current	New	Difference		
Interest Rate (%)	5.875	5.750	0.125	Total Capitalized Arrears (\$): 15,202.30	
Remaining Term (in months)	180	180	0	Monthly Tax and Insurance (\$): 0.00	
UPB (\$)	119,428.87	134,631.17	15,202.30	Affordable PI (\$): 1,116.00 <small>(Bor. Income available for P&amp;I at 31%)</small>	
Mortgage P&I Payment	1,200.00	1,117.99	82.01	Imminent Default Payment Flag: N	
LTV (%)	107.594	121.289	-13.696		

Rental Income	
Monthly Gross Rental Income (\$)	0.00
Monthly Net Rental Income (\$)	0.00

UPB		
Interest Bearing UPB (\$)	134,631.17	Forbeared UPB (\$): 0.00 <small>(Principal Forbearance Amount)</small>
		Gross UPB (\$): 134,631.17

Dates		
Interest Rate Change Date:	First Payment Due Date:	Maturity Date:

Expense Ratios			
Current Monthly Expense Ratio:	33.333	Current Monthly Expense Modified Ratio:	31.055
MTM LTV (%)	121.289	DeMinimis Percent (%)	6.834
DeMinimis Test Flag:	Y	Months Delinquent:	21

TNPV		Step Rates	
TNPV Amount (\$)	25,000.00	TNPV Value Mod (\$)	115,000.00
TNPV Value No Mod (\$)	90,000.00	TNPV Run Date:	07/15/2014
		Change Date	P&I (\$)
		05/01/2014	1,117.99
		Term	New Rate
		180	5.75

Trial Period Dates	
Trial Period Start Date:	03/01/2014
Trial Period End Date:	05/31/2014

Modification Sign Off	
Signed Final Document Received Date:	
Modification Status:	TRIAL PERIOD-APPROVE
Decline Reason:	

Back
Amortization Schedule
Save Solution

Click **Back** to return to the Modeling Attributes screen.

Click **Save Solution** to save the modification solution. After you save the solution in the Trial Period – Approve status, the **View Solution** button is displayed here.

Click **Amortization Schedule** to display the complete amortization schedule for the modification each time a modification solution is calculated. This button displays only when evaluating a borrower for a modification under HAMP and is available for use unless the loan is in the Modification Program – Approve status.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Interest Rate</b>	<p><b>Current:</b> The interest rate currently payable under the Note terms.</p> <p><b>New:</b> The interest rate for the modified mortgage. For step rates, this field displays the initial interest rate in effect.</p> <p><b>Difference:</b> The difference between the current interest rate for the existing mortgage and the new interest rate for the modification.</p>
<b>Remaining Term</b>	<p><b>Current:</b> The remaining term, in number of months, of the existing mortgage, starting from the Evaluation Date.</p> <p><b>New:</b> The remaining term, in number of months, of the modified mortgage, starting from the First Payment Due Date until the maturity date of the loan. Note: The remaining term, in number of months, is equal to the number of modified monthly payments.</p> <p><b>Difference:</b> The difference between the current term of the existing mortgage, and the term of the modified mortgage, in number of months.</p>
<b>UPB</b>	<p><b>Current:</b> The current unpaid principal balance (UPB) of the existing mortgage.</p> <p><b>New:</b> The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrearages (accounting for total trial period payments).</p> <p><b>Difference:</b> The difference between current UPB and the amortizing UPB for the modified mortgage.</p>
<b>Mortgage P&amp;I Payment</b>	<p><b>Current:</b> The current P&amp;I portion of the borrower's monthly payment for the existing mortgage. <b>Note:</b> For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current P&amp;I is equal to the principal and interest payment (or interest only or minimum amount payment) in effect prior to implementation of the temporary SCRA interest rate and related payment relief.</p> <p><b>New:</b> The P&amp;I portion of the borrower's monthly payment for the modified mortgage.</p> <p><b>Difference:</b> The difference between the P&amp;I monthly payment for the existing and modified mortgage.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>LTV</b>	<p><b>Current:</b> The loan-to-value (LTV) for the existing mortgage.</p> <p><b>New:</b> The LTV for the modified mortgage based only on the amortizing UPB (i.e., excluding the forbore principal).</p> <p><b>Difference:</b> The difference between the old LTV for the existing mortgage and the new amortizing LTV for the modified mortgage.</p>
<b>Total Capitalized Arrears</b>	<p>The amount displayed is equal to non-interest arrears plus interest arrears that have accrued from the last paid installment date through the day prior to the modified interest rate change date.</p> <p style="text-align: center;">           Legal Fees and Costs            + Property Preservation            + Other Advances            + Delinquent Interest            - Suspense/Restricted Escrow            - Borrower Contribution  <hr style="width: 50%; margin: auto;"/>           = Total Capitalized Arrears         </p>
<b>Monthly Tax &amp; Insurance</b>	<p>This field sums the borrower's monthly taxes and insurance, including any permissible escrow cushion. It does not include the monthly HOA/Condo fees.</p>
<b>Affordable P&amp;I Payment (Borrower Income Available for P&amp;I at 31% DTI)</b>	<p>Maximum P&amp;I payment available assuming a 31 percent housing expense-to-income ratio.</p> <p>For example, if the borrower has gross monthly income equal to \$5,000, income available for PITIAS assuming a housing expense -to-income ratio of 31 percent is \$1,550.</p> <p style="text-align: center;"><b><math>\\$5,000 \times .31 = \\$1,550</math></b></p> <p>If the borrower's taxes, insurance premiums, HOA/Condo dues plus monthly escrow shortage payments = \$365, the amount of income available for P&amp;I is \$1,185.</p> <p>           \$150 (Property Tax) including monthly escrow cushion            \$50 (Hazard Insurance) including monthly escrow cushion            \$50 (Flood Insurance) including monthly escrow cushion            \$30 (HOA/Condo Fees)            \$85 (1/60<sup>th</sup> of Monthly Escrow Shortage, if applicable)  <hr style="width: 50%; margin: auto;"/>           \$365  <b><math>\\$1,550 - \\$365 = \\$1,185</math> (Borrower Income Available for P&amp;I)</b> </p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Imminent Default Payment Flag</b>	<p>A “Y” in this field indicates that the Servicer may be eligible for the additional \$500 incentive payment for the modification provided the Trial Period Plan Effective Date is prior to October 1, 2011, and displays when you save the model in a Trial Period – Approve status. The borrower must be current or less than 60 days delinquent as of the date the Servicer performs the initial evaluation of the borrower’s financial condition and meet the requirements of Guide Section 9205.7.</p> <p>An “N” in this field indicates that the Servicer is not eligible for the incentive payment.</p>
<b>Monthly Gross Rental Income</b>	The total monthly gross rental income the borrower receives, if applicable.
<b>Monthly Net Rental Income</b>	This value is not calculated for HAMP modifications.
<b>Interest Bearing UPB</b>	The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrears, less the effect of the total trial period payments and remaining amounts held in suspense. This amount does not include any forbore principal.
<b>Forbeared UPB (Principal Forbearance Amount)</b>	Total amount of principal forbore. If you forbear principal, you must add a balloon payment for the amount of the principal forbearance. The balloon payment will be due on transfer, at payoff, or at maturity. Interest will not accrue on the forbore principal balance.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Gross UPB</b>	Interest-bearing UPB plus the Forbearred UPB equals the gross UPB.
<b>Interest Rate Change Date</b>	<p>The date on which the new interest rate on the modified mortgage will be effective.</p> <p>This is also the first day of the last month of the trial period or, if there is an interim month that follows the trial period, then it is the first day of the interim month. For example, if the trial period ends on March 31st, the interest rate change date is March 1st. However, if April is an interim month, then the interest rate change date is April 1st.</p>
<b>First Payment Due Date</b>	<p>Date on which the payment is due for the first modified payment.</p> <p>This is the date inserted as the “Modification Effective Date” in Section 3 of the HAMP Modification Agreement. Once the modification is effective, the terms of the modified mortgage are established so that the first payment due under the modified mortgage pays interest in arrears that accrued during the month prior to the First Payment Due Date under the modified terms.</p> <p>This field will automatically populate and cannot be edited.</p> <p>Workout Prospector will set the Modification Effective Date to equal the first day of the month following the month in which the Trial Period End Date falls.</p> <p>For example, if the Trial Period End Date is December 31, 2013, the Modification Effective Date is January 1, 2014.</p> <p>However, the terms of the modification are legally effective retroactive to December 1, 2013 so that interest accrues at the modified interest rate against the modified interest-bearing UPB during the month of December.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Maturity Date</b>	The date on which the modified mortgage matures.
<b>Current Monthly Housing Expense Ratio</b>	(The Current P&I + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage Payment + permissible escrow cushion if applicable) divided by Monthly Gross Employment Income = Current Monthly Housing Expense Ratio.
<b>MTM LTV</b>	The mark-to-market loan to value ratio. The ratio is based upon the modified interest-bearing principal balance of the mortgage and the current value of the property.
<b><i>De Minimis</i> Test Flag</b>	Indicates if the modification resulted in at least a six percent reduction of the borrower's monthly PITIAS payment. <ul style="list-style-type: none"> <li>▪ A "Y" indicates that there was a reduction equal to or greater than six percent in the borrower's monthly PITIAS payment.</li> <li>▪ An "N" indicates the reduction in the borrower's monthly PITIAS payment was less than six percent.</li> </ul>
<b>Current Monthly Housing Expense Modified Ratio</b>	(The New P&I + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + 1/60 <sup>th</sup> of the Projected Escrow Shortage + permissible escrow cushion if applicable) divided by Monthly Gross Employment Income = Current Monthly Housing Expense Modified Ratio.
<b><i>De Minimis</i> %</b>	Identifies the percentage by which the borrower's monthly PITIAS payment has decreased as a result of the modification.
<b>Months Delinquent</b>	Number of months the mortgage is delinquent.
<b>TNPV Amount</b>	The difference between the Treasury net present value of the loan with a modification and the net present value of the loan without a modification.
<b>TNPV Value No Mod</b>	The Treasury net present value of the loan without a modification.
<b>TNPV Value Mod</b>	The Treasury net present value of the loan with a modification.
<b>TNPV Run Date</b>	The date on which the TNPV test was run.

## Enter Data for and Evaluate Modifications

Field Definition									
<b>Step Rate Data</b>	If the new interest rate is less than the average rate for a 30-year fixed-rate mortgage, as determined by the PMMS <sup>®</sup> rate that is in effect as of the date you are preparing the documents, step rate data will display.								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Change Date</b></td> <td>Date on which the new interest rate is effective.</td> </tr> <tr> <td><b>P&amp;I</b></td> <td>The monthly principal and interest payment in effect through the number month indicated in the term column.</td> </tr> <tr> <td><b>Term</b></td> <td>Identifies the number month through which the interest rate is effective.</td> </tr> <tr> <td><b>New Rate</b></td> <td>The interest rate in effect through the number month indicated in the term column.</td> </tr> </table>	<b>Change Date</b>	Date on which the new interest rate is effective.	<b>P&amp;I</b>	The monthly principal and interest payment in effect through the number month indicated in the term column.	<b>Term</b>	Identifies the number month through which the interest rate is effective.	<b>New Rate</b>	The interest rate in effect through the number month indicated in the term column.
	<b>Change Date</b>	Date on which the new interest rate is effective.							
	<b>P&amp;I</b>	The monthly principal and interest payment in effect through the number month indicated in the term column.							
	<b>Term</b>	Identifies the number month through which the interest rate is effective.							
<b>New Rate</b>	The interest rate in effect through the number month indicated in the term column.								
<b>Trial Period Start Date</b>	<p>The date on which the trial period plan will begin and the first Trial Period Payment is due.</p> <p>This field will default to blank when you create the model. Use the pick list to select the Trial Period Start Date. You may not manually enter a date – you must select a date from the pick list.</p> <p>The pick list displays the first day of the month for the three months following the evaluation date. For example, if the evaluation date is September 15, 2013, the dates displayed in the pick list will be October 1, 2013, November 1, 2013, and December 1, 2013. If you edit the evaluation date to a date that causes the pick list to change, Workout Prospector will prompt you to update the Trial Period Start Date.</p> <p>If you do not select a Trial Period Start Date prior to saving the model in any of the following statuses for the first time, Workout Prospector will display the message “Trial Period Start Date is missing.”</p> <ul style="list-style-type: none"> <li>▪ Trial Period – Approve</li> <li>▪ Modification Program – Approve</li> </ul> <p>You may not modify the Trial Period Start Date after you have saved the model in one of the above “Approve” statuses.</p> <p>When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date in this field is set to the Trial Period Start Date for the Streamlined Modification Trial Period Plan if the model was saved in the Trial Period – Approve status.</p>								

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Trial Period End Date</b>	<p>The date on which the Trial Period ends.</p> <p>Workout Prospector will populate the Trial Period End Date field to be the last day of the third month from the Trial Period Start Date entered. For example, if the Trial Period Start Date is 10/1/2009, the Trial Period End Date will populate with 12/31/2009.</p> <p>You may modify the Trial Period End Date using the pick list if the loan is in any of the following statuses:</p> <ul style="list-style-type: none"> <li>▪ Draft</li> <li>▪ Trial Period – Approve</li> </ul> <p>If your institution uses the interim month option outlined in Section 9205.9 of the Guide, and the borrower does not pay the final trial period payment on or before the cut-off date established by your written interim month policy, you will have to adjust the Trial Period End Date. For example, if the Trial Period Start Date is 8/1/2013, the Trial Period End Date will populate with 10/31/2013. To account for the interim month option, you will need to select 11/30/2013 from the pick list.</p> <p>When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date in this field is set to the Trial Period End Date that was saved for the Streamlined Modification Trial Period Plan if the model was saved in the Trial Period – Approve status.</p>
<b>Signed Final Documents Received Date</b>	<p>Enter the date you received the executed modification agreements from the borrower.</p> <p>This field is disabled for HAMP Modifications.</p>
<b>Modification Status</b>	<p>The current status of the modification. Refer to Appendix B for information on the various modification statuses.</p>
<b>Decline Reason</b>	<p>When you save the model in the Modification Program – Borrower Declined Terms/Ineligible status, you must select a decline reason. Refer to Appendix B for information on the various decline reasons.</p>

# Enter Data for and Evaluate Modifications

## Modification Solution for Streamlined Modifications and Standard Modifications

The Modification Solution screen for Streamlined Modifications and Standard Modifications contain the same data elements and provide a comparison between the terms of the existing mortgage and the proposed terms of the Standard Modification or Streamlined Modification.

### Modification Solution

Modification Type: Streamlined Modification

Loan Attributes			
	Current	New	Difference
Interest Rate (%):	5.750	4.625	1.125
Remaining Term (in months):	300	480	180
UPB (\$):	133,858.19	137,706.61	3,848.42
Mortgage P&I Payment :	1,000.00	630.19	36.98
PITIAS (\$):	1,000.00	630.19	-369.81

Total Capitalized Arrears	
Total Capitalized Arrears (\$):	3,848.42

Rental Income

Monthly Gross Rental Income (\$):	0.00	Monthly Net Rental Income (\$):	0.00
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UPB

Interest Bearing UPB (\$):	137,706.61	Forborne UPB (\$): <small>(Principal Forbearance Amount)</small>	0.00	Gross UPB (\$):	137,706.61
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Dates

Interest Rate Change Date:	10/01/2014	First Payment Due Date:	11/01/2014	Maturity Date:	10/01/2054
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Ratios

DTI Ratio:	0.00	Pre-Modified MTM LTV (%):	89.239	Post-Modified MTM LTV (%):	91.804
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Trial Period Dates

Trial Period Start Date:	08/01/2014	Trial Period End Date:	10/31/2014
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Modification Sign Off

Signed Final Document Received Date:	<input type="text"/>
Modification Status:	TRIAL PERIOD-APPROVE <input type="button" value="v"/>
Decline Reason:	<input type="text"/> <input type="button" value="v"/>

Back

Save Solution

## Enter Data for and Evaluate Modifications

Refer to the following table for a description of each field.

Field Definition	
<b>Interest Rate</b>	<p><b>Current:</b> The interest rate currently payable under the Note terms. Note: For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current interest rate is equal to the interest rate in effect prior to implementation of the temporary SCRA interest rate.</p> <p><b>New:</b> The Standard Modification interest rate in effect and posted on <a href="http://FreddieMac.com/singlefamily/service/standardmodrate.html">FreddieMac.com/singlefamily/service/standardmodrate.html</a> as of the date you evaluate and determine the borrower is eligible for a Trial Period Plan, which must be the same interest rate used for the final modification. The Standard Modification or Streamlined Modification interest rate must be fixed for the term of the modified mortgage. This field is not recalculated for Standard Modifications and Streamlined Modifications once they are saved in the Trial Period – Approve status.</p> <p><b>Difference:</b> The difference between the current interest rate for the existing mortgage and the new interest rate for the modification.</p>
<b>Remaining Term</b>	<p><b>Current:</b> The remaining term, in number of months, of the existing mortgage, starting from the Evaluation Date.</p> <p><b>New:</b> The remaining term of the modified mortgage, starting from the First Payment Due Date to the maturity date of the loan. This field may be edited for Standard Modifications and Streamlined Modifications with MTMLTV ratios less than 80 percent. For additional information, refer to <i>Calculate the Amortization Term Options for Standard and Streamlined Modifications with MTMLTV Ratios Less than 80 Percent</i> in this chapter.</p> <p><b>Difference:</b> The difference between the current term of the existing mortgage, and the term of the modified mortgage, in number of months.</p>
<b>UPB</b>	<p><b>Current:</b> The current unpaid principal balance (UPB) of the existing mortgage.</p> <p><b>New:</b> The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrearages (accounting for total trial period payments).</p> <p><b>Difference:</b> The difference between current UPB and the amortizing UPB for the modified mortgage.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Mortgage P&amp;I Payment</b>	<p><b>Current:</b> The current P&amp;I portion of the borrower's monthly payment for the existing mortgage. <b>Note:</b> For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current P&amp;I is equal to the principal and interest payment (or interest only or minimum amount payment) in effect prior to implementation of the temporary SCRA interest rate and related payment relief.</p> <p><b>New:</b> The P&amp;I portion of the borrower's monthly payment for the modified mortgage.</p> <p><b>Difference:</b> The difference between the P&amp;I monthly payment for the existing and modified mortgage, reflected as a percentage.</p>
<b>PITIAS</b>	<p>Workout Prospector calculates the PITIAS as follows:</p> <p><b>Current:</b> Current P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage</p> <p><b>New:</b> New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Projected Monthly Escrow Shortage</p> <p><b>Difference:</b> The PITIAS for the modified mortgage minus the PITIAS for the existing mortgage.</p>
<b>Total Capitalized Arrears</b>	<p>The amount displayed is equal to non-interest arrears plus interest arrears that have accrued from the last paid installment date through the day prior to the modified interest rate change date.</p> $  \begin{array}{r}  \text{Legal Fees and Costs} \\  + \text{Property Preservation} \\  + \text{Other Advances} \\  + \text{Delinquent Interest} \\  - \text{Suspense/Restricted Escrow} \\  - \text{Borrower Contribution} \\  \hline  = \text{Total Capitalized Arrears}  \end{array}  $
<b>Monthly Gross Rental Income</b>	<p>The total monthly gross rental income the borrower receives, if applicable.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Monthly Net Rental Income</b>	<p>Workout Prospector calculates net rental income (or loss) by subtracting the post-modification monthly debt service (i.e., principal, interest, taxes, and insurance, including mortgage insurance and association fees, if applicable) on the property from the amount that is 75 percent of the monthly gross rental income. This value is calculated only when Non-Owner Occupied is selected in the Current Property Type field.</p> <p>Workout Prospector will use the following calculation to determine this value when you click <b>Submit for Calc</b>:</p> $((\text{Monthly Gross Rental Income} \times 75 \text{ percent}) - (\text{New P\&I Payment} + \text{Monthly Mortgage Insurance} + \text{Monthly Property Taxes} + \text{Monthly Hazard/Flood Insurance} + \text{Monthly HOA/Condo Fees} + \text{Actual Monthly Escrow Shortage})) = \text{Monthly Net Rental Income}$ <p>The result may be zero, or a positive or negative value.</p>
<b>Interest Bearing UPB</b>	<p>The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrears, less the effect of the total trial period payments and remaining amounts held in suspense. This amount does not include any forbore principal. The borrower's monthly P&amp;I payment is calculated based on the interest bearing UPB.</p>
<b>Forbeared UPB (Principal Forbearance Amount)</b>	<p>Total amount of principal forbore. If you forbear principal, you must add a balloon payment for the amount of the principal forbearance. The balloon payment will be due on transfer, at payoff, or at maturity. Interest will not accrue on the forbore principal balance.</p>
<b>Gross UPB</b>	<p>Interest-bearing UPB plus the non-interest bearing forbeared UPB equals the gross UPB.</p>
<b>Interest Rate Change Date</b>	<p>The date on which the new interest rate on the modified mortgage will be effective.</p> <p>The first day of the last month of the trial period or, if there is an interim month that follows the trial period, then it is the first day of the interim month. For example, if the trial period ends on March 31<sup>st</sup>, the interest rate change date is March 1<sup>st</sup>. However, if April is an interim month, then the interest rate change date is April 1<sup>st</sup>.</p>

# Enter Data for and Evaluate Modifications

Field Definition	
<b>First Payment Due Date</b>	<p>Date on which the first modified mortgage payment is due. Workout Prospector calculates the First Payment Due Date based on the Trial Period end date. This field cannot be edited.</p> <p>Once the modification is effective, the terms of the modified mortgage are established so that the first payment due under the modified mortgage pays interest in arrears that accrued during the month prior to the First Payment Due Date under the modified terms.</p> <p>Workout Prospector will set the Modification Effective Date to equal the first day of the month following the month in which the Trial Period End Date falls when the Trial Period End Date is saved.</p> <p>For example, if the Trial Period End Date is March 31, xxxx, the Modification Effective Date is April 1, xxxx.</p> <p>However, the terms of the modification are legally effective retroactive to March 1, xxxx so that interest accrues at the modified interest rate against the modified interest-bearing UPB during the month of March.</p>
<b>Maturity Date</b>	Date on which the modified mortgage matures.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>DTI Ratio</b>	<p>The debt-to-income ratio for the subject property.</p> <p><b>For owner-occupied properties</b>, Workout Prospector calculates the DTI as follows:</p> <p>(New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage Payment) divided by Monthly Gross Employment Income = DTI Ratio</p> <p><b>For second homes</b>, Workout Prospector calculates the DTI as follows:</p> <p>{(New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage Payment) + (Primary Residence Monthly Mortgage Expenses PITIAS)} divided by Monthly Gross Employment Income = DTI Ratio</p> <p><b>For non-owner occupied properties when the monthly net rental income is zero or value greater than zero</b>, Workout Prospector calculates the DTI as follows:</p> <p>(Primary Residence Monthly Mortgage Expenses PITIAS) divided by (Monthly Gross Employment Income + Monthly Net Rental Income) = DTI Ratio</p> <p><b>For non-owner occupied properties when the monthly net rental income is a value less than zero</b>, Workout Prospector calculates the DTI as follows:</p> <p>(Primary Residence Monthly Mortgage Expenses PITIAS + {Monthly Net Rental Income}) divided by Monthly Gross Employment Income = DTI Ratio</p>

## Enter Data for and Evaluate Modifications

Field Definition							
<b>Pre-modified MTM LTV</b>	<p>The mark-to-market loan to value ratio of the existing mortgage. The ratio is based upon the gross principal balance of the mortgage and the current value of the property.</p> <p>Current UPB divided by the Property Value multiplied by 100 = Pre-modified MTM LTV</p> <p>This field is not recalculated for Standard Modifications and Streamlined Modifications once they are saved in the Trial Period – Approve status.</p>						
<b>Post-modified MTM LTV</b>	<p>The mark-to-market loan to value ratio of the modified mortgage. The ratio is based upon the modified interest-bearing principal balance of the mortgage and the current value of the property.</p> <p>Modified interest-bearing UPB divided by the Property Value multiplied by 100 = Post-modified MTM LTV</p>						
<b>Trial Period Start Date</b>	<p>The date on which the trial period will begin and the first Trial Period Payment is due. This field will automatically populate, but can be edited to an earlier date if the Workout Decision Date is between the 16<sup>th</sup> and end of the month and the borrower agrees to begin the trial period on the first of the next month.</p>						
	<table border="1"> <thead> <tr> <th><b>If the Workout Decision Date is between:</b></th> <th><b>Then the Trial Period Start Date defaults to:</b></th> </tr> </thead> <tbody> <tr> <td>The first and 15<sup>th</sup> of the month</td> <td>The first day of the next month following the Workout Decision Date.  Example: If the Workout Decision Date is November 3<sup>rd</sup>, the Trial Period Start Date will default to December 1<sup>st</sup>.</td> </tr> <tr> <td>The 16<sup>th</sup> and end of the month</td> <td>The first day of the second month following the Workout Decision Date.  Example: If the Workout Decision Date is November 17<sup>th</sup>, the Trial Period Start Date will default to January 1<sup>st</sup>. However, you have the option of changing the Trial Period Start Date to December 1<sup>st</sup>.</td> </tr> </tbody> </table>	<b>If the Workout Decision Date is between:</b>	<b>Then the Trial Period Start Date defaults to:</b>	The first and 15 <sup>th</sup> of the month	The first day of the next month following the Workout Decision Date.  Example: If the Workout Decision Date is November 3 <sup>rd</sup> , the Trial Period Start Date will default to December 1 <sup>st</sup> .	The 16 <sup>th</sup> and end of the month	The first day of the second month following the Workout Decision Date.  Example: If the Workout Decision Date is November 17 <sup>th</sup> , the Trial Period Start Date will default to January 1 <sup>st</sup> . However, you have the option of changing the Trial Period Start Date to December 1 <sup>st</sup> .
	<b>If the Workout Decision Date is between:</b>	<b>Then the Trial Period Start Date defaults to:</b>					
	The first and 15 <sup>th</sup> of the month	The first day of the next month following the Workout Decision Date.  Example: If the Workout Decision Date is November 3 <sup>rd</sup> , the Trial Period Start Date will default to December 1 <sup>st</sup> .					
	The 16 <sup>th</sup> and end of the month	The first day of the second month following the Workout Decision Date.  Example: If the Workout Decision Date is November 17 <sup>th</sup> , the Trial Period Start Date will default to January 1 <sup>st</sup> . However, you have the option of changing the Trial Period Start Date to December 1 <sup>st</sup> .					
	<p>When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date in this field will display in the Trial Period Start Date field of the Modification Solution screen if the model was saved in the Trial Period – Approve status.</p>						

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Trial Period End Date</b>	<p>The date on which the Trial Period ends.</p> <p>Workout Prospector will populate the Trial Period End Date field to be the last day of the third month from the Trial Period Start Date entered. For example, if the Trial Period Start Date is 10/1/xxxx, the Trial Period End Date will populate with 12/31/xxxx.</p> <p>You may modify the Trial Period End Date using the pick list if the loan is in any of the following statuses:</p> <ul style="list-style-type: none"> <li>▪ Draft</li> <li>▪ Trial Period – Approve</li> </ul> <p>Ensure that you change the Trial Period End Date in the event that you use an interim month.</p> <p>If you modify the Trial Period End Date, Workout Prospector will recalculate the First Payment Due Date, Interest Rate Change Date, and Maturity Date.</p> <p>When a Streamlined Modification Trial Period Plan converts to a HAMP Modification Trial Period Plan, the date in this field will display in the Trial Period End Date field on the Modification Solution screen if the model was saved in the Trial Period – Approve status.</p>
<b>Signed Final Documents Received Date</b>	Enter the date you received the executed modification agreements from the borrower.
<b>Modification Status</b>	The current status of the modification. Refer to Appendix B for information on the various modification statuses.
<b>Decline Reason</b>	When you save the model in the Modification Program – Borrower Declined Terms/Ineligible status, you must select a decline reason. Refer to Appendix B for information on the various decline reasons.

# Enter Data for and Evaluate Modifications

## Modification Solution for “Other Modifications”

The Modification Solution screen for “other modifications” provides a comparison between the terms of the existing mortgage and the proposed terms of the modification.

This solution is intended to facilitate the settlement of Rural Housing Service (RHS) Section 502 Guaranteed Rural Housing Mortgage modifications as well as other modifications specified by Freddie Mac from time to time that cannot be settled through other Workout Prospector paths. **Note:** You should not enter data for RHS Section 502 Guaranteed Rural Housing Mortgage modifications until you receive the approval letter from RHS.

### Modification Solution

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**Modification Type: Other modifications**

Loan Attributes	Current	New	Difference
Interest Rate (%):	8.000	8.000	0.000
Remaining Term (in months):	84	480	396
UPB (\$):	32,564.98	33,216.28	651.30
Mortgage P&I Payment:	448.87	230.96	48.55
PITI AS (\$):	622.51	404.60	-217.91
DCR:			0.000

<b>Total Capitalized Arrears</b>	
Total Capitalized Arrears (\$):	651.30
Ability to Pay P&I (\$):	<input type="text"/>
Ability to Pay Rate (%):	<input type="text"/>

Monthly Gross Rental Income (\$):	0.00	Monthly Net Rental Income (\$):	0.00
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<b>UPB</b>					
Interest Bearing UPB (\$):	33,216.28	Forborne UPB (\$): (Principal Forbearance Amount)	0.00	Gross UPB (\$):	33,216.28

<b>Dates</b>					
Interest Rate Change Date:	12/01/2016	First Payment Due Date:	01/01/2017	Maturity Date:	12/01/2056

<b>Ratios</b>					
DTI Ratio:	<input type="text"/>	Pre-Modified MTM LTV (%):	65.130	Post-Modified MTM LTV (%):	66.433

<b>Modification Sign Off</b>	
Signed Final Document Received Date:	<input type="text"/>
Modification Status:	DRAFT
Decline Reason:	<input type="text"/>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Interest Rate</b>	<p><b>Current:</b> The interest rate currently payable under the Note terms. Note: For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current interest rate is equal to the interest rate in effect prior to implementation of the temporary SCRA interest rate.</p> <p><b>New:</b> The interest rate of the modified mortgage. This field defaults to the current interest rate payable under the Note terms, and can be edited. The value you enter cannot be less than one percent or greater than 15 percent. If you edit the value in this field, the new DCR, new PITIAS, and new Mortgage P&amp;I Payment fields recalculate.</p> <p><b>Difference:</b> The difference between the current interest rate for the existing mortgage and the new interest rate for the modification.</p>
<b>Remaining Term</b>	<p><b>Current:</b> The remaining term, in number of months, of the existing mortgage, starting from the Evaluation Date.</p> <p><b>New:</b> The remaining term of the modified mortgage, starting from the First Payment Due Date to the maturity date of the loan. This field defaults to 480 months and can be edited. If you edit the value in this field, the new DCR, new Mortgage P&amp;I Payment, new PITIAS, new DCR, new DTI, Ability to Pay P&amp;I, Ability to Pay Rate, and Maturity Date fields recalculate based on the remaining term you entered.</p> <p><b>Difference:</b> The difference between the current term of the existing mortgage, and the term of the modified mortgage, in number of months.</p>
<b>UPB</b>	<p><b>Current:</b> The current unpaid principal balance (UPB) of the existing mortgage.</p> <p><b>New:</b> The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrearages.</p> <p><b>Difference:</b> The difference between current UPB and the amortizing UPB for the modified mortgage.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Mortgage P&amp;I Payment</b>	<p><b>Current:</b> The current P&amp;I portion of the borrower’s monthly payment for the existing mortgage. Note: For loans to service members who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the current P&amp;I is equal to the principal and interest payment (or interest only or minimum amount payment) in effect prior to implementation of the temporary SCRA interest rate and related payment relief.</p> <p><b>New:</b> The P&amp;I portion of the borrower’s monthly payment for the modified mortgage.</p> <p><b>Difference:</b> The difference between the P&amp;I monthly payment for the existing and modified mortgage, reflected as a percentage.</p>
<b>PITIAS</b>	<p>Workout Prospector calculates the PITIAS as follows:</p> <p><b>Current:</b> Current P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage</p> <p><b>New:</b> New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Projected Monthly Escrow Shortage</p> <p><b>Difference:</b> The PITIAS for the modified mortgage minus the PITIAS for the existing mortgage.</p>
<b>DCR</b>	<p>The debt coverage ratio.</p> <p><b>Current:</b> The debt coverage ratio for the existing mortgage.</p> <p><b>New:</b> The debt coverage ratio for the modified mortgage. This field is available for edit. If you edit the value in this field, the new Interest Rate, new Mortgage P&amp;I Payment, and new PITIAS fields recalculate based on the DCR you entered.</p> <p><b>Difference:</b> The difference between the debt coverage ratios for the existing mortgage and modified mortgage.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Total Capitalized Arrears</b>	<p>The amount displayed is equal to non-interest arrears plus interest arrears that have accrued from the last paid installment date through the day prior to the modified interest rate change date.</p> <p style="text-align: center;">                     Legal Fees and Costs                      + Property Preservation                      + Other Advances                      + Delinquent Interest                      - Suspense/Restricted Escrow                      - Borrower Contribution  <hr style="width: 50%; margin: 0 auto;"/>                     = Total Capitalized Arrears                 </p>
<b>Ability to Pay P&amp;I</b>	The amount of principal and interest the borrower is able to pay based on a 1.2 DCR.
<b>Ability to Pay Rate</b>	The ability to pay rate based on a 1.2 DCR.
<b>Monthly Gross Rental Income</b>	The total monthly gross rental income the borrower receives, if applicable.
<b>Monthly Net Rental Income</b>	<p>Workout Prospector calculates net rental income (or loss) by subtracting the post-modification monthly debt service (i.e., principal, interest, taxes, and insurance, including mortgage insurance and association fees, if applicable) on the property from the amount that is 75 percent of the monthly gross rental income. This value is calculated only when Non-Owner Occupied is selected in the Current Property Type field.</p> <p>Workout Prospector will use the following calculation to determine this value when you click <b>Submit for Calc</b>:</p> <p><math>((\text{Monthly Gross Rental Income} \times 75 \text{ percent}) - (\text{New P\&amp;I Payment} + \text{Monthly Mortgage Insurance} + \text{Monthly Property Taxes} + \text{Monthly Hazard/Flood Insurance} + \text{Monthly HOA/Condo Fees} + \text{Actual Monthly Escrow Shortage})) = \text{Monthly Net Rental Income}</math></p> <p>The result may be zero, or a positive or negative value.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Interest Bearing UPB</b>	<p>The UPB of the modified mortgage. This amount is equal to the current UPB for the existing mortgage, plus total capitalized arrears. This amount does not include any forbore principal. The borrower's monthly P&amp;I payment is calculated based on the interest bearing UPB.</p> <p>This field is available for edit. If you edit the value in this field the new Mortgage P&amp;I Payment, new PITIAS, new DCR, new DTI, Ability to Pay P&amp;I, and Ability to Pay Rate fields will recalculate.</p> <p>You must also edit the value in the Forbore UPB field so that the Interest Bearing UPB and Forbore UPB equal the Gross UPB.</p>
<b>Forbore UPB (Principal Forbearance Amount)</b>	<p>Total amount of principal forbore. This field defaults to 0 and can be edited. If you edit the value in this field, the Interest Bearing UPB, new Mortgage P&amp;I Payment, new PITIAS, new DCR, new DTI, Ability to Pay P&amp;I, and Ability to Pay Rate fields recalculate based on the value you entered.</p> <p>If you forbore principal, you must add a balloon payment for the amount of the principal forbearance. The balloon payment will be due on transfer, at payoff, or at maturity. Interest will not accrue on the forbore principal balance.</p>
<b>Gross UPB</b>	Interest-bearing UPB plus the non-interest bearing forbore UPB equals the gross UPB.
<b>Interest Rate Change Date</b>	The date on which the new interest rate on the modified mortgage will be effective. This field is available for edit. If you edit the date in this field, the First Payment Due Date and Maturity Date fields recalculate based on the interest rate change date you entered.
<b>First Payment Due Date</b>	<p>Date on which the first modified mortgage payment is due. Workout Prospector calculates the First Payment Due Date based on the date displayed in the Interest Rate Change Date field. This field is not available for edit.</p> <p>Once the modification is effective, the terms of the modified mortgage are established so that the first payment due under the modified mortgage pays interest in arrears that accrued during the month prior to the First Payment Due Date under the modified terms.</p>
<b>Maturity Date</b>	Date on which the modified mortgage matures. This field is available for edit. If you edit the date in this field, the new Remaining Term, new Mortgage P&I Payment, new PITIAS, new DCR, new DTI, Ability to Pay P&I, and Ability to Pay Rate fields recalculate.

## Enter Data for and Evaluate Modifications

Field Definition	
<b>DTI Ratio</b>	<p>The debt-to-income ratio for the subject property.</p> <p><b>For owner-occupied properties</b>, Workout Prospector calculates the DTI as follows:</p> <p>(New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage Payment) divided by Monthly Gross Employment Income = DTI Ratio</p> <p><b>For second homes</b>, Workout Prospector calculates the DTI as follows:</p> <p>{(New P&amp;I Payment + Monthly Property Taxes + Monthly Hazard/Flood Insurance + Monthly HOA/Condo Fees + Actual Monthly Escrow Shortage Payment) + (Primary Residence Monthly Mortgage Expenses PITIAS)} divided by Monthly Gross Employment Income = DTI Ratio</p> <p><b>For non-owner occupied properties when the monthly net rental income is zero or value greater than zero</b>, Workout Prospector calculates the DTI as follows:</p> <p>(Primary Residence Monthly Mortgage Expenses PITIAS) divided by (Monthly Gross Employment Income + Monthly Net Rental Income) = DTI Ratio</p> <p><b>For non-owner occupied properties when the monthly net rental income is a value less than zero</b>, Workout Prospector calculates the DTI as follows:</p> <p>(Primary Residence Monthly Mortgage Expenses PITIAS + {Monthly Net Rental Income}) divided by Monthly Gross Employment Income = DTI Ratio</p>
<b>Pre-modified MTM LTV</b>	<p>The mark-to-market loan to value ratio of the existing mortgage. The ratio is based upon the gross principal balance of the mortgage and the current value of the property.</p> <p>Current UPB divided by the Property Value multiplied by 100 = Pre-modified MTM LTV</p>
<b>Post-modified MTM LTV</b>	<p>The mark-to-market loan to value ratio of the modified mortgage. The ratio is based upon the modified interest-bearing principal balance of the mortgage and the current value of the property.</p> <p>Modified interest-bearing UPB divided by the Property Value multiplied by 100 = Post-modified MTM LTV</p>

# Enter Data for and Evaluate Modifications

Field Definition	
<b>Signed Final Documents Received Date</b>	Enter the date you received the executed modification agreements from the borrower.
<b>Modification Status</b>	<p>The current status of the modification. For “Other mods” only the following statuses are available for selection:</p> <ul style="list-style-type: none"> <li>▪ Draft</li> <li>▪ Modification Program – Borrower Declined Terms/Ineligible            Note: Although this status is available, do not select this status for RHS Section 502 Guaranteed Rural Housing Mortgage modifications. You should not enter data for RHS Section 502 Guaranteed Rural Housing Mortgage modifications until you receive the approval letter from RHS.</li> </ul> <p>Refer to Appendix B for information on the modification statuses.</p>
<b>Decline Reason</b>	Not applicable to modifications on RHS mortgages.

## Enter Data for and Evaluate Modifications

### Transmit “Other Modifications” to Freddie Mac

After you have entered all required data, click the **Send to FM** button to submit the “other modification” to us. The following message displays:



Click **OK**. The Modification Solution screen redisplay with the following message:



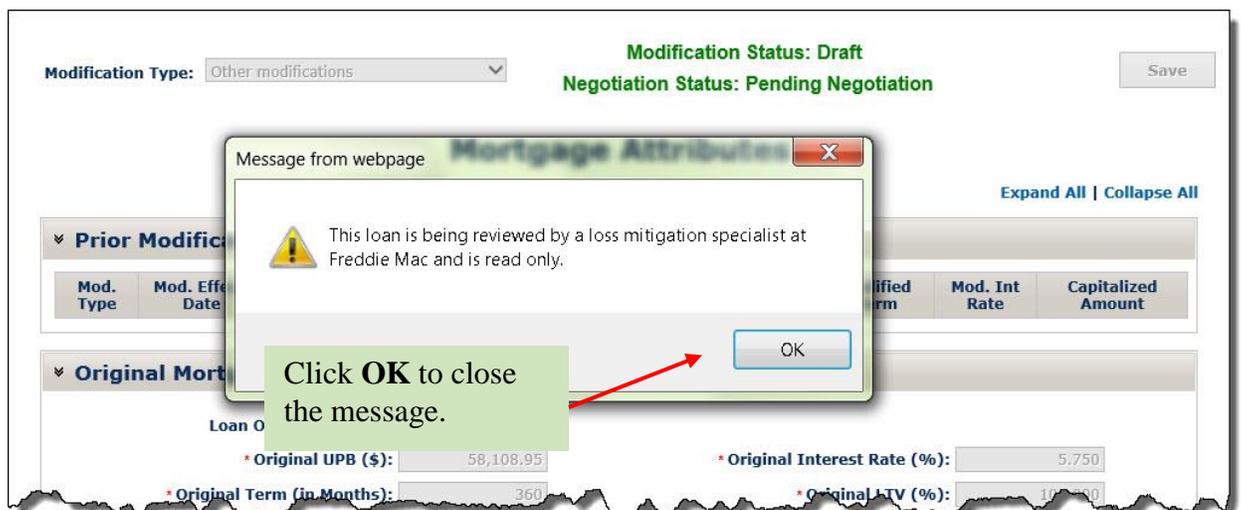
Click **OK** to close the message.

All fields are grayed and are not available for edit.

### After You Transmit the “Other Modification” Model to Us

After you transmit the model to us, it is in a “Pending Review” status and is read-only.

If you retrieve the model in Workout Prospector while it is pending our review, the following message displays:



# Enter Data for and Evaluate Modifications

## After We Complete Our Review of “Other Modifications”

After we complete our review, we will approve or decline the modification for settlement.

If we approve the modification for settlement, the following screens display as shown below. You may view the model, but cannot make any changes to it.

Modification Type:  **Modification Status: Modification Approve**

### Modeling Attributes

Expand All | Collapse All

The Modification Status on the Modeling Attributes screen is “Modification Approve.”

All fields on the Mortgage Attributes and Modeling Attributes screens are disabled and cannot be changed.

**Ratios**

DTI Ratio:  Pre-Modified MTM LTV (%):  Post-Modified MTM LTV (%):

### Modification Sign Off

Signed Final Document Received Date:

Modification Status:

Decline Reason:

On the Modification Solution screen, the Modification Status pick list displays the “Modification Program – Approve” status.

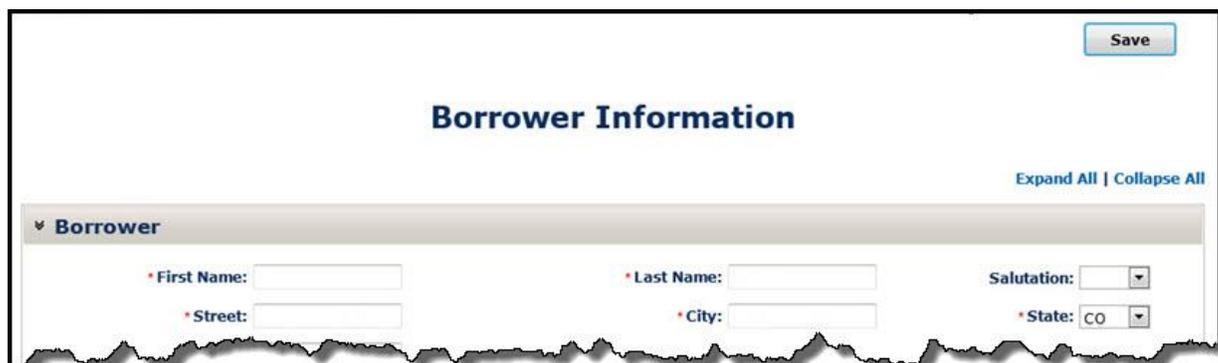
The Signed Final Document Received Date reflects the date we approved the modification for settlement.

All fields are disabled and cannot be changed.

## Enter Data for and Evaluate Modifications

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If we decline the modification for settlement, the Borrower Information screen displays when you retrieve the loan record.



The screenshot shows a web interface titled "Borrower Information". At the top right is a "Save" button. Below the title are links for "Expand All" and "Collapse All". A section header "Borrower" is followed by a form with the following fields: "First Name:" (text input), "Last Name:" (text input), "Salutation:" (dropdown menu), "Street:" (text input), "City:" (text input), and "State:" (dropdown menu with "CO" selected).

With respect to modifications of Rural Housing Service (RHS) Section 502 Guaranteed Rural Housing mortgages, Freddie Mac will change the status to “Modification Program – Borrower Declined Terms/Ineligible” if the RHS approval letter has expired or you have instructed us to do so. In these circumstances, you should obtain an updated approval letter or make the necessary changes and then resubmit the modification for settlement.

As you are obligated and fully delegated to follow and implement RHS loss mitigation requirements, Freddie Mac’s change of the Workout Prospector system status to either “Approved” or decline with respect to the modification of a RHS mortgage does not constitute Freddie Mac’s approval or denial of the loan modification. In all cases, you must follow RHS loss mitigation guidelines. Freddie Mac’s change to “approval” status is to allow you to proceed with settlement of the RHS mortgage modification and a decline is a hard stop to the settlement process pending your resolution of the issue in compliance with RHS requirements.

For all other modifications, use Workout Prospector to pursue other alternatives to foreclosure that Freddie Mac offers in accordance with the evaluation hierarchy set forth in Guide Section 9201.2 and the specific Guide requirements for each available alternative to foreclosure.

# Enter Data for and Evaluate Modifications

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## Converting from a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan

There are two ways to convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan:

- Use the Modification Type pick list.
- Use the Modification Status pick list.

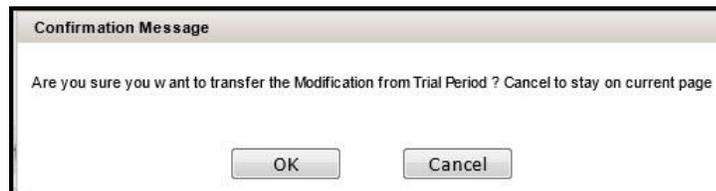
### ***How to Convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan Using the Modification Type Pick List***

Perform the following steps to convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan Using the Modification Type Pick List:

1. Select HAMP from the Modification Type pick list on the Mortgage Attributes or Modeling Attributes screen.



2. Click **OK** when the following message displays.



The screen will re-display. The Modification Type pick list displays HAMP, and the model will be in Draft status. You are now able to evaluate the borrower for a modification under HAMP in Workout Prospector.

## Enter Data for and Evaluate Modifications

### ***How to Convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan Using the Modification Status Pick List***

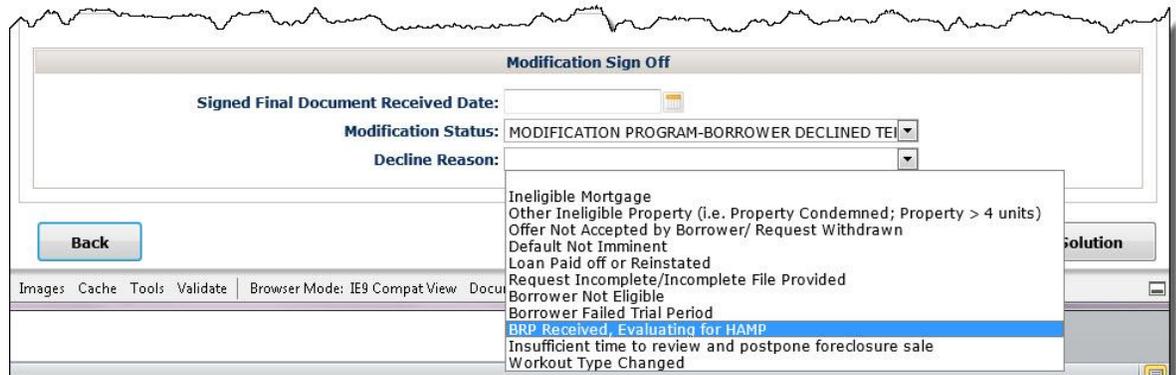
Perform the following steps to convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan Using the Modification Status Pick List:

1. Select Modification Program – Borrower Declined Terms/Ineligible from the Modification Status pick list.



The screenshot shows a web form titled "Modification Sign Off". It contains a date field for "Signed Final Document Received Date", a "Modification Status" dropdown menu, and a "Decline Reason" dropdown menu. The "Modification Status" dropdown is open, showing a list of options: "TRIAL PERIOD-APPROVE", "TRIAL PERIOD-APPROVE", "MODIFICATION PROGRAM-APPROVE", and "MODIFICATION PROGRAM-BORROWER DECLINED TERMS/INELIGIBLE". The last option is highlighted in blue. There are "Back" and "Save Solution" buttons at the bottom of the form.

2. Select "BRP Received, Evaluating for HAMP" from the Decline Reason pick list.



The screenshot shows the same "Modification Sign Off" form. The "Decline Reason" dropdown menu is open, showing a list of options: "Ineligible Mortgage", "Other Ineligible Property (i.e. Property Condemned; Property > 4 units)", "Offer Not Accepted by Borrower/ Request Withdrawn", "Default Not Imminent", "Loan Paid off or Reinstated", "Request Incomplete/Incomplete File Provided", "Borrower Not Eligible", "Borrower Failed Trial Period", "BRP Received, Evaluating for HAMP", "Insufficient time to review and postpone foreclosure sale", and "Workout Type Changed". The "BRP Received, Evaluating for HAMP" option is highlighted in blue. The "Modification Status" dropdown is now set to "MODIFICATION PROGRAM-BORROWER DECLINED TE". There are "Back" and "Save Solution" buttons at the bottom of the form.

# Enter Data for and Evaluate Modifications

3. Click **Save Solution**. The Mortgage Attributes screen displays as shown below.

Modification Type: 
Modification Status:
Save

## Mortgage Attributes

Expand All | Collapse All

▼ **Prior Modifications**

Mod. Type	Mod. Effect. Date	First Mod. Paymt Due Date	Int. Bearing UPB	Non-Int. Bearing UPB	Gross UPB	Modified Term	Mod. Int Rate	Capitalized Amount

▼ **Original Mortgage Attributes**

Loan Origination Date:

\* Original UPB (\$):

\* Original Term (in Months):

\* Original Interest Rate (%):

\* Original LTV (%):

▼ **Current Mortgage Attributes**

Current Maturity Date:

\* Current UPB (\$):

\* Current Remaining Term (in Months):

\* Current Property Type:

\* Current Last Paid Inst. Date (DDLPI):

Current Loan Product:

\* Current Interest Rate (%):

\* Current P&I (\$):

\* Current Property Value (\$):

Next

You are now able to evaluate the borrower for a modification under HAMP in Workout Prospector.

## Enter Data for and Evaluate Modifications

### ***Additional Screen Impacts When Converting from a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan***

When you convert a Streamlined Modification Trial Period Plan to a HAMP Modification Trial Period Plan, there are impacts to the Mortgage Attributes, Modeling Attributes, and Modification Solution screens, as outlined below.

#### **Impacts to the Mortgage Attributes and Modeling Attributes Screens**

The data you entered on the Mortgage Attributes and Modeling Attributes screens to evaluate the borrower for a Streamlined Modification is retained.

The Workout Decision Date entered for the Streamlined Modification will display as the Evaluation Date for the HAMP Modification, as shown in the following example, if the Streamlined Modification model was saved in the Trial Period – Approve status.

The image shows two screenshots of a software interface. The top screenshot is titled "Additional Modification Inputs - Streamlined Modification". It contains several input fields: "Property Condition" (dropdown), "Property Status Vacancy" (radio buttons for Yes/No), "Workout Evaluation Date" (calendar icon, labeled "(Date Borrower Response Package received)"), "Primary Hardship Reason" (dropdown), "\* Workout Decision Date" (calendar icon, labeled "(Date Borrower was decided for modification)", highlighted with a red box), and "Primary Residence Mthly Mortgage Expenses (PITI)AS" (\$) (text input, value 546.00). There are "Back" and "View Solution" buttons.

The bottom screenshot is titled "Additional Modification Inputs - HAMP Modification". It contains: "\* Evaluation Date" (calendar icon, value 07/17/2014, highlighted with a red box), "\* PMMS Date" (calendar icon, value 02/06/2014), "TNPV Value Mod (\$)" (text input, value 0.00), "\* Freddie Mac PMMS Rate" (text input, value 4.230, with "PMMS Rate" label), "TNPV Run Date" (calendar icon), and "TNPV Value No Mod (\$)" (text input, value 0.00). There are "Back" and "Submit for Calc" buttons.

A red dotted arrow points from the "Workout Decision Date" field in the top screenshot to the "Evaluation Date" field in the bottom screenshot, indicating that the date is carried over.

#### **Impacts to the Modification Solution Screen**

The Trial Period Start Date and Trial Period End Date for the Streamlined Modification documented on the Modification Solution screen will now display as the Trial Period Start Date and Trial Period End Date for the HAMP modification if the Streamlined Modification model was saved in the Trial Period – Approve status.

The Mortgage P&I amount for the Streamlined Modification Trial Period Plan displays in the Streamlined Mod P&I field if the model was saved in the Trial Period – Approve status.

# Enter Data for and Evaluate Modifications

**Modification Solution Screen for a Streamlined Modification**

UPB (\$):	133,858.19	137,706.61	3,848.42
Mortgage P&I Payment:	1,000.00	630.19	36.98
PITIAS (\$):	1,000.00	630.19	-369.81

Rental Income	
Monthly Gross Rental Income (\$):	0.00
Monthly Net Rental Income (\$):	0.00

UPB		
Interest Bearing UPB (\$):	137,706.61	Forborne UPB (\$):
		(Principal Forbearance Amount)
	0.00	Gross UPB (\$):
		137,706.61

Dates		
Interest Rate Change Date:	10/01/2014	First Payment Due Date:
		11/01/2014
		Maturity Date:
		10/01/2054

Ratios		
DTI Ratio:		Pre-Modified MTM LTV (%):
		89.239
		Post-Modified MTM LTV (%):
		91.804

Trial Period Dates	
Trial Period Start Date:	08/01/2014
Trial Period End Date:	10/31/2014

Modification Sign Off	
Signed Final Document Received Date:	
Modification Status:	TRIAL PERIOD-APPROVE
Decline Reason:	

Back Save Solution

**Modification Solution Screen for a HAMP Modification**

Streamline Details			
Streamline PI (\$):	630.19		

TNPV		Step Rates	
Amount (\$):	18,000.00	Change Date	P&I (\$)
Value Mod (\$):	112,000.00	10/01/2014	866.32
TNPV Value Mod (\$):	130,000.00	Term	New Rate
TNPV Run Date:	07/17/2014	300	5.750

Trial Period Dates	
Trial Period Start Date:	08/01/2014
Trial Period End Date:	10/31/2014

Modification Sign Off	
Signed Final Document Received Date:	
Modification Status:	DRAFT
Decline Reason:	

Back Amortization Schedule Save Solution

# Enter Data for and Evaluate Modifications

## Standard Modification – Negotiated Path

When the proposed terms of the Standard Modification are outside of your delegation authority the following message displays, along with the applicable warning messages, and prompts you to send the model to us for our review. **Ensure that you document the rationale for your exception request per Guide Sections 9206.5 and 9206.6 on the Comments screen before you send the model to us for review.**



## How to Send a Proposed Standard Modification Solution to Freddie Mac via the Negotiated Path

Perform the following steps to send the proposed Standard Modification solution to us via the negotiated path:

1. Click **Send to FM**.

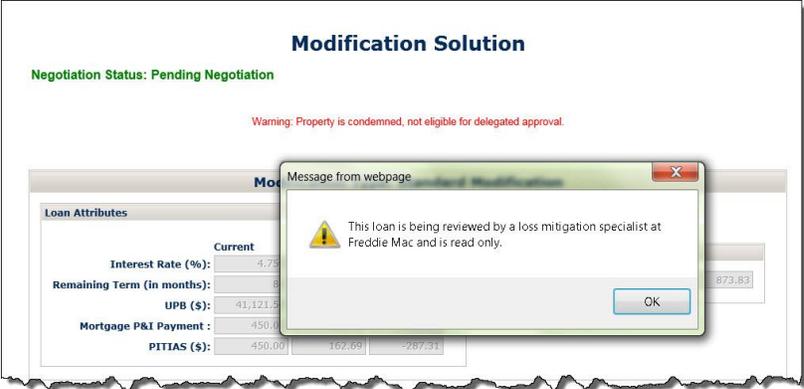


# Enter Data for and Evaluate Modifications

The following message displays:



2. Refer to the following table to respond to the message:

If you:	Then:
<p>Want to submit the model to us for review</p>	<p>Click <b>OK</b> to send the model to us for review.</p> <p>The message shown below displays and the Negotiation Status at the top of the screen is set to “Pending Negotiation.”</p> 
<p>Do not want to submit the model to us</p>	<p>Click <b>Cancel</b> to remain on the Modification Solution screen without sending the model to us.</p>

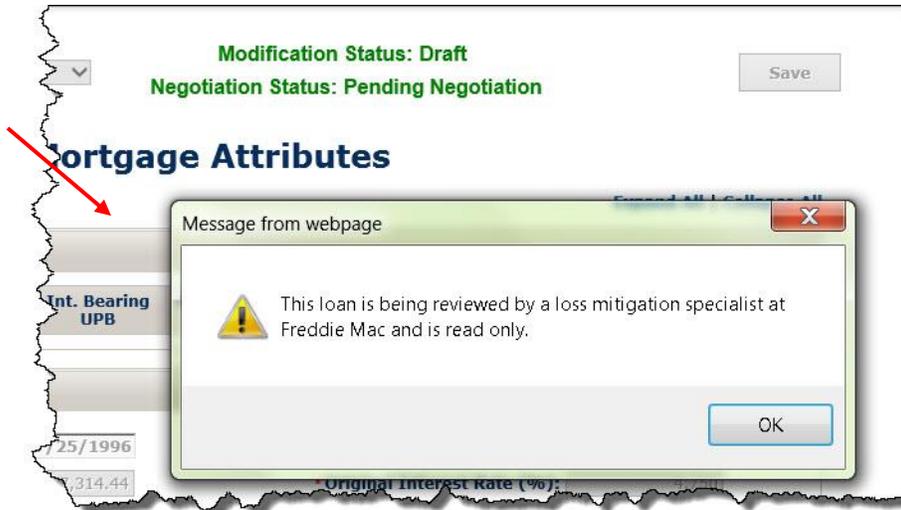
## Enter Data for and Evaluate Modifications

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### *After You Send the Model to us via the Negotiated Path*

After you successfully submit the model to us for review, the Mortgage Attributes screen displays the negotiation status as “Pending Negotiation.” The model will remain in the “Pending Negotiation” status until we complete our review, at which time the negotiation status will be updated based on the results of our review.

When you retrieve a loan record that is in a “Pending Negotiation” status, the following message displays:

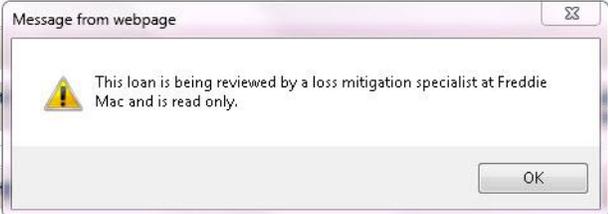


For additional information about the negotiation statuses, refer to “Understanding the Negotiation Statuses” in this chapter.

# Enter Data for and Evaluate Modifications

## Understanding the Negotiation Statuses

The following table identifies and provides a description for each negotiation status. The negotiation status no longer displays once you save the model in the Trial Period – Approve or Modification Program – Borrower Declined Terms/Ineligible statuses.

Negotiation Status	Description
Pending Negotiation	<p>Freddie Mac is reviewing the proposed Standard Modification solution you submitted via the negotiated path.</p> <ul style="list-style-type: none"> <li>▪ The following message displays when you access the loan in Workout Prospector. You cannot edit the model while it is in the “Pending Negotiation” status.</li> </ul>  <ul style="list-style-type: none"> <li>▪ The negotiation status displayed on the Mortgage Attributes screen is “Pending Negotiation.”</li> <li>▪ The model is in Draft status.</li> </ul>
Negotiation Approved	<p>Freddie Mac has approved your exception request for delegated authority to approve your proposed Standard Modification solution.</p> <ul style="list-style-type: none"> <li>▪ The negotiation status displayed on the Mortgage Attributes screen is “Negotiation Approved.”</li> <li>▪ The model is in Draft status.</li> <li>▪ The following statuses are available for selection:               <ul style="list-style-type: none"> <li>– Trial Period – Approve</li> <li>– Modification Program – Borrower Declined Terms/Ineligible</li> </ul> </li> </ul> <p>Note that for Cap-to-Extend modifications, the Modification Type pick list displays “Cap To Extend Mod.”</p> 

## Enter Data for and Evaluate Modifications

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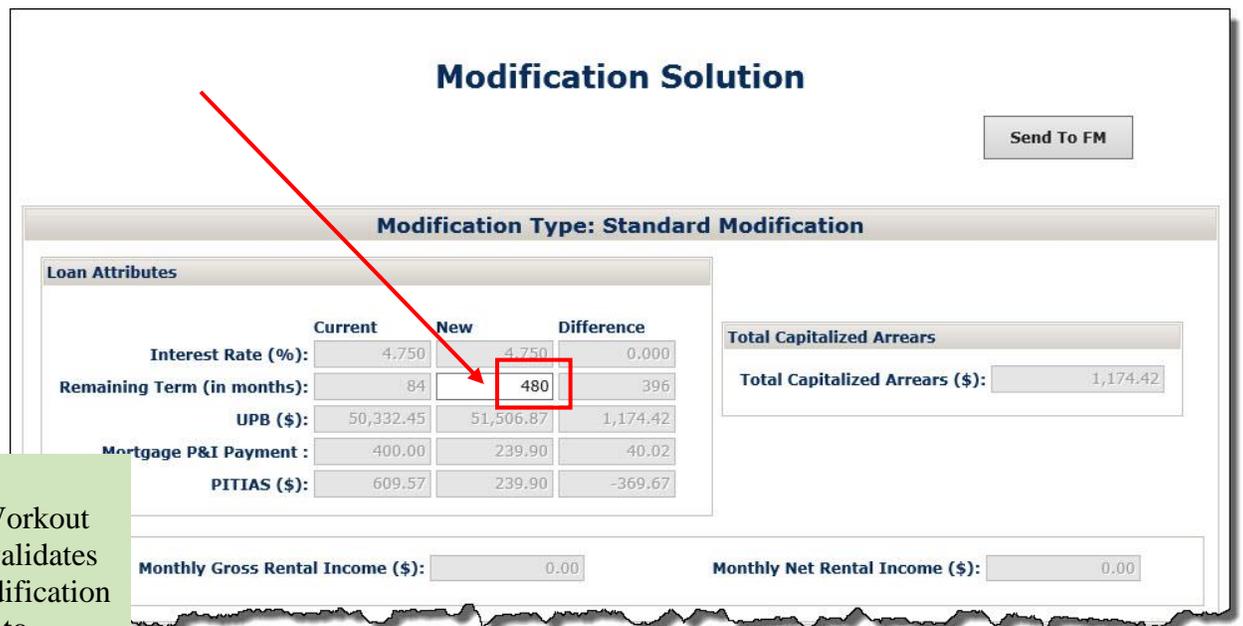
Negotiation Status	Description
Return to Servicer	<p>Freddie Mac has returned control of the model back to you because the warning that required our review is no longer valid.</p> <ul style="list-style-type: none"> <li>▪ The negotiation status is “Return to Servicer.”</li> <li>▪ The model is in Draft status.</li> <li>▪ The following statuses are available for selection:               <ul style="list-style-type: none"> <li>- Trial Period – Approve</li> <li>- Modification Program – Borrower Declined Terms/Ineligible</li> </ul> </li> </ul>
Negotiation Declined	<p>Freddie Mac is unable to approve your exception request for expanded delegated authority to approve the proposed Standard Modification solution.</p> <ul style="list-style-type: none"> <li>▪ The negotiation status is “Negotiation Declined.”</li> <li>▪ The model is in Draft status.</li> <li>▪ The Modification Program – Borrower Declined Terms/Ineligible status is available for selection.</li> </ul>

## Enter Data for and Evaluate Modifications

### Calculate the Amortization Term Options for Standard and Streamlined Modifications with MTMLTV Ratios Less than 80 Percent

Workout Prospector gives you the ability to calculate the 480-, 360- and 240-month amortization term options for Standard Modifications and Streamlined Modifications with MTMLTV ratios less than 80 percent.

When you submit a Standard Modification or Streamlined Modification model for calculation and a solution is found for a loan with a post-modification MTMLTV ratio less than 80 percent, the Modification Solution screen displays with the New Remaining Term field available for edit, as shown below.



**Modification Solution**

Send To FM

**Modification Type: Standard Modification**

**Loan Attributes**

	Current	New	Difference
Interest Rate (%):	4.750	4.750	0.000
Remaining Term (in months):	84	480	396
UPB (\$):	50,332.45	51,506.87	1,174.42
Mortgage P&I Payment :	400.00	239.90	40.02
PITIAS (\$):	609.57	239.90	-369.67

Total Capitalized Arrears

Total Capitalized Arrears (\$): 1,174.42

Monthly Gross Rental Income (\$): 0.00

Monthly Net Rental Income (\$): 0.00

For Standard Modifications, Workout Prospector also validates that the post-modification housing expense-to-income ratio is greater than or equal to 10 percent and less than or equal to 55 percent.

## Enter Data for and Evaluate Modifications

To determine if the modification is eligible for a 360-month amortization term, perform the following steps:

1. Position your cursor in the “New” column for remaining term.

**Modification Solution**

Send To FM

**Modification Type: Standard Modification**

**Loan Attributes**

	Current	New	Difference
Interest Rate (%):	4.750	4.750	0.000
Remaining Term (in months):	84	480	396
UPB (\$):	50,332.45	51,506.87	1,174.42
Mortgage P&I Payment :	400.00	239.90	40.02
PITIAS (\$):	609.57	239.90	-369.67

Total Capitalized Arrears

Total Capitalized Arrears (\$): 1,174.42

Monthly Gross Rental Income (\$): 0.00

Monthly Net Rental Income (\$): 0.00

2. Change the value to 360 and click **Save Solution**. The modification solution will recalculate. If the 360-month amortization term results in an estimated monthly P&I payment that is at least 20 percent less than the current contractual P&I payment, no error message will display, as shown in our example below.

Since the borrower is eligible for the 360-month amortization term, proceed to step 3 to determine if he or she is also eligible for a 240-month amortization term.

**Modification Solution**

Send To FM

**Modification Type: Standard Modification**

**Loan Attributes**

	Current	New	Difference
Interest Rate (%):	4.750	4.750	0.000
Remaining Term (in months):	84	360	396
UPB (\$):	50,332.45	51,506.87	1,174.42
Mortgage P&I Payment :	400.00	239.90	40.02
PITIAS (\$):	609.57	239.90	-369.67

Total Capitalized Arrears

Total Capitalized Arrears (\$): 1,174.42

Monthly Gross Rental Income (\$): 0.00

Monthly Net Rental Income (\$): 0.00

No message is displayed. Therefore, the borrower is eligible for a 360-month amortization term.

## Enter Data for and Evaluate Modifications

If the 360-month amortization term had resulted in an estimated monthly P&I payment that was **not** at least 20 percent less than the current contractual P&I payment, the following error message would display, as shown below.

### Modification Solution

**Modification Type: Standard Modification**

The Post-Modified MTMLTV is < 80. New Remaining Term can only be 480

	Current	New	Difference
Interest Rate (%):	7.000	7.000	0.000
Remaining Term (in months):	84	360	396
UPB (\$):	50,332.45	51,506.87	1,174.42
Mortgage P&I Payment :	400.00	342.68	14.33
PITI AS (\$):	609.57	342.68	-266.89

**Total Capitalized Arrears**

**Total Capitalized Arrears (\$):** 1,174.42

**Monthly Gross Rental Income (\$):** 0.00

**Monthly Net Rental Income (\$):** 0.00

**UPB**

Interest Bearing UPB (\$): 51,506.87

Forfeared UPB (\$): 0.00

Gross UPB (\$): 50,332.45

A message displays indicating the new remaining term can only be 480. Therefore, the borrower is not eligible for a 360-month amortization term.

- Position your cursor in the “New” column for remaining term, change the value to 240, and click **Save Solution**.

In our example, the 240-month amortization term did **not** result in an estimated monthly P&I payment that is at least 20 percent less than the current contractual P&I payment. Therefore, the borrower is eligible for only a 480-month or 360-month amortization term, as noted in the message that displays.

### Modification Solution

**Modification Type: Standard Modification**

The Post-Modified MTMLTV is < 80. New Remaining Term can only be 360 or 480

	Current	New	Difference
Interest Rate (%):	4.750	4.750	0.000
Remaining Term (in months):	84	240	396
UPB (\$):	50,332.45	51,506.87	1,174.42
Mortgage P&I Payment :	400.00	332.85	16.79
PITI AS (\$):	609.57	332.85	-276.72

**Total Capitalized Arrears**

**Total Capitalized Arrears (\$):** 1,174.42

A message displays indicating the new remaining term can only be 480 or 360. Therefore, the borrower is not eligible for a 240-month amortization term.

## Enter Data for and Evaluate Modifications

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4. **Save the model in Draft status.** You may save the model in Draft status with any of the amortization terms the borrower is eligible for. Saving the model in Draft status enables you to change the term if necessary, should the borrower accept the Trial Period Plan with an amortization term different than the one saved in Draft status. Do not save the model in Trial Period – Approve status until you are certain which amortization term the borrower has chosen.
5. After the borrower accepts the Trial Period Plan, ensure you update Workout Prospector with the amortization term the borrower accepted. Then save the model in Trial Period – Approve status.

### When the Borrower Completes the Trial Period

After the borrower has successfully completed the Trial Period Plan, you are ready to settle the modification. Ensure that you have entered all required information on the Borrower Information and Contact screens. For detailed information on how to complete these screens, refer to Chapter 6, *Enter Data for Liquidation Options*. Refer to Chapter 5, *Automated Settlement for Modifications*, for instructions on how to send HAMP modifications, Standard Modifications, and Streamlined Modifications to us.

# Enter Data for and Evaluate Modifications

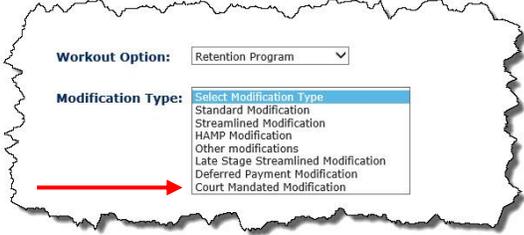
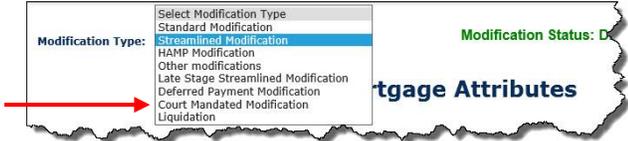
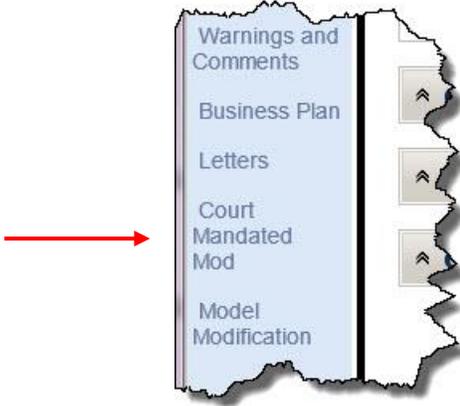
## Court Mandated Modifications

You may enter a court mandated modification into Workout Prospector, even if another model is in progress. The model already in progress will be closed when you confirm that you want to model a court mandated modification.

The requirements applicable to court mandated modifications are also applicable to modifications that are the result of court approved settlements of litigation.

There are three ways you can access the Court Mandated Modification screen in Workout Prospector:

For information on how to process Principal Reduction Modifications, refer to the [Freddie Mac Principal Reduction Modification Quick Reference](#).

If:	Then:
<p>You are creating a new model in Workout Prospector</p>	<p>Select <b>Court Mandated Mod</b> from the Modification Type pick list when you create the model.</p> 
<p>A HAMP, Standard Modification, or Streamlined Modification is in progress</p>	<p>Select <b>Court Mandated Mod</b> from the Modification Type pick list on the Mortgage Attributes or Modeling Attributes screens.</p> 
<p>A liquidation option is in progress</p>	<p>Select <b>Court Mandated Mod</b> from the To Do List.</p> 

## Enter Data for and Evaluate Modifications

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When a model for the loan already exists in Workout Prospector, the following message displays when you access the Court Mandated Modification screen:



Click **OK** to continue with data entry for a court mandated modification.

# Enter Data for and Evaluate Modifications

## The Court Mandated Modification Screen

When you select Court Mandated Mod from the Modification Type pick list or the To Do List, the following screen displays:

Current Status: Draft Send To FM Save

### Court Mandated Modification

<p><b>Court Mandated Modification</b></p> <ul style="list-style-type: none"> <li>* Modification Type: <input type="text"/></li> <li>* Bankruptcy Type: <input type="text"/></li> <li>* Modified Note Rate (%): <input type="text"/></li> <li>Accounting Net Yield (%): <input type="text"/></li> <li>* Mod Effective Date: <input type="text"/></li> <li>First Payment Due Date: <input type="text"/></li> <li>* Term of the Mod (in months): <input type="text"/></li> <li>Maturity Date: <input type="text"/></li> <li>* Confirmation Date: <input type="text"/></li> <li>* P &amp; I (\$): <input type="text"/></li> <li>* UPB at Confirmation (\$): <input type="text"/></li> <li>* DDLPI at Confirmation: <input type="text"/></li> <li>* UPB Write-down (\$): <input type="text"/></li> <li>Balloon: <input type="checkbox"/></li> <li>Step Rate: <input type="checkbox"/></li> </ul>	<p><b>Current UPB Plus Additions</b></p> <p>DDLPI: 01/01/2016</p> <p>Current UPB (\$): 156,083.00</p> <p>Interest from DDLPI to Mod Effective Date (\$): <input type="text"/></p> <p>* Other Amounts Advanced or to be Advanced (\$): <input type="text"/></p> <p>* Legal Fees and Costs (\$): <input type="text"/></p> <p>* Property Preservation Expenses (\$): <input type="text"/></p> <p>Total Additions Plus Current UPB (\$): 156,083.00</p> <p><b>Subtractions To Principal Balance</b></p> <p>Amount Held In Suspense/Restricted Escrow (\$): <input type="text"/></p> <p>Total Write-off (\$): 156,083.00</p> <p>Deferred Non Interest Bearing UPB (\$): <input type="text"/></p> <p>* Interest Bearing Modified UPB (\$): <input type="text"/></p>
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Refer to the following table to ensure you are providing the appropriate data in each field. For specific instructions on how to complete this screen for Principal Reduction Modifications, refer to the [Freddie Mac Principal Reduction Modification Quick Reference](#).

Field Definition		
<b>Modification Type</b>	Select one of the following as the modification type: <ul style="list-style-type: none"> <li>▪ Bankruptcy</li> <li>▪ Litigation</li> </ul>	
	<b>If you select:</b>	<b>Then:</b>
	Bankruptcy	The Bankruptcy Type pick list is available.
Litigation	The Bankruptcy Type pick list is <u>not</u> available.	
<b>Bankruptcy Type</b>	Select the bankruptcy chapter (Chapter 11, 12, or 13) from the pick list.  This pick list is available only when you select “Bankruptcy” in the Modification Type field.	
<b>Modified Note Rate</b>	The interest rate payable under the Note as of the effective date of the court mandated modification.  The value must be between zero percent and 15 percent.	

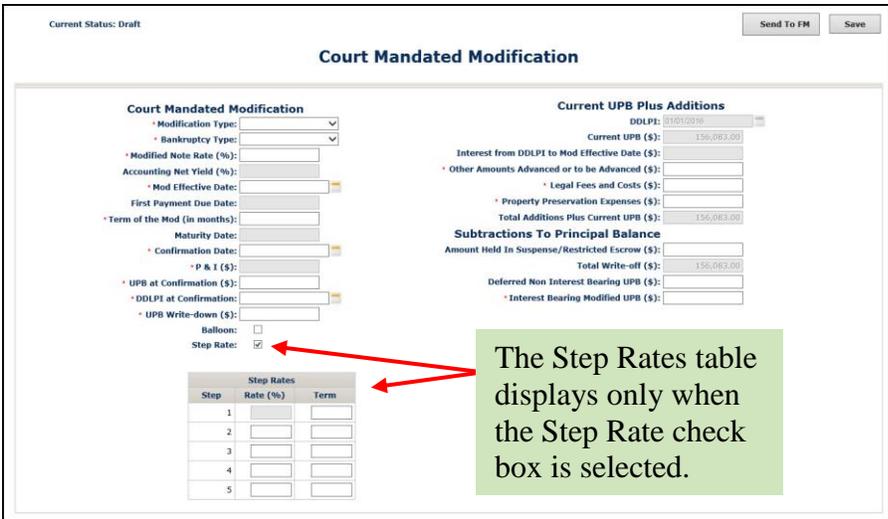
## Enter Data for and Evaluate Modifications

Field Definition	
<b>Accounting Net Yield</b>	<p>The accounting net yield (ANY) based on the modified mortgage terms. The ANY is the difference between the modified Note rate and the servicing spread on the modified mortgage.</p> <p>This value automatically calculates when you enter a value in the Modified Note Rate field.</p> <p><b>Note:</b> If the value in the Modified Note Rate field is zero percent, this field will also display zero percent.</p>
<b>Mod Effective Date</b>	<p>The date that the new interest rate is effective, which is also the effective date of the modification.</p> <p>The date you enter must be the first day of a month. Otherwise, the field will automatically change the date to the first of the month when you leave the data field. For example, if you enter 4/05/2016, the date will automatically change to 4/01/2016.</p> <p>The date cannot be a future date.</p>
<b>First Payment Due Date</b>	<p>The date that the first modified mortgage payment is due for the court mandated modification. This field automatically populates when you enter the Mod Effective Date.</p>
<b>Term of the Mod (In Months)</b>	<p>The full term of the modified mortgage, reflected in number of months.</p> <p>The number of months cannot exceed 480.</p>
<b>Maturity Date</b>	<p>The date that the modified mortgage matures. This field automatically populates when you enter a value in Term of the Mod field.</p>
<b>Confirmation Date</b>	<p>The date that a Chapter 12 or 13 bankruptcy plan was confirmed or a reorganization plan was agreed to for a Chapter 11 bankruptcy.</p> <p>The date cannot be a future date.</p>
<b>P&amp;I</b>	<p>The principal and interest portion of the borrower's monthly payment for the modified mortgage.</p> <p>This value automatically calculates when you enter a value in the Interest Bearing Modified UPB field.</p> <p>This field is available for edit only when the Balloon check box is selected.</p>
<b>UPB at Confirmation</b>	<p>The UPB as of the date a Chapter 12 or 13 bankruptcy plan was confirmed or a reorganization plan was agreed to for a Chapter 11 bankruptcy.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>DDLPI at Confirmation</b>	<p>The DDLPI as of the date a Chapter 12 or 13 bankruptcy plan was confirmed or a reorganization plan was agreed to for a Chapter 11 bankruptcy.</p> <p>The date you enter must be the first day of a month. Otherwise, the field will automatically change the date to the first of the month when you leave the data field. For example, if you enter 4/05/2016, the date will automatically change to 4/01/2016.</p> <p>The Interest from DDLPI to Mod Effective Date field automatically populates when you enter a date in this field.</p>
<b>UPB Write-Down</b>	<p>The amount of principal that the bankruptcy court either discharges and/or is no longer subject to the lien.</p> <p>This value should always be less than or equal to the value calculated and displayed in the Total Write-off field.</p> <p>For court mandated modifications where the interest bearing modified UPB is greater than the pre-modified UPB, ensure that you enter zero in this field.</p> <p>See “Special Instructions for Completing the UPB Write-Down and Interest Bearing Modified UPB Fields” in this chapter.</p>
<b>Balloon</b>	<p>Select this check box if you are entering a court mandated modification with a balloon payment.</p> <p>The P&amp;I field is available for edit when this check box is selected.</p>
<b>Step Rate</b>	<p>Select this check box if you are entering a court mandated modification with multiple steps (i.e., interest rate changes). When you select this check box, the Step Rates table displays.</p>

# Enter Data for and Evaluate Modifications

Field Definition																			
<b>Step Rates Table</b>	<p>Step rate data displays when you select the Step Rate check box.</p> <div style="border: 1px solid black; padding: 5px;">  <p style="background-color: #d9ead3; padding: 5px; border: 1px solid black; display: inline-block;">The Step Rates table displays only when the Step Rate check box is selected.</p> </div>																		
	<p>Refer to the following table to ensure you are providing the appropriate data in each field of the Step Rates table.</p>																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 15%;">Step</th> <th style="width: 45%;">Rate</th> <th style="width: 40%;">Term</th> </tr> <tr> <td>1</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> </tr> </table>	Step	Rate	Term	1			2			3			4			5		
	Step	Rate	Term																
1																			
2																			
3																			
4																			
5																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;"><b>Step</b></td> <td>Identifies the step number. You may enter a maximum of five steps.</td> </tr> <tr> <td style="text-align: center;"><b>Rate</b></td> <td>The interest rate in effect through the number month indicated in the term column. The rate for the first step automatically populates with the value entered in the Modified Note Rate field.</td> </tr> <tr> <td style="text-align: center;"><b>Term</b></td> <td>                     Identifies the number month through which the interest rate is effective.                       The value entered for the last step in this field must equal the value entered in the Term of the Mod field. If it does not, the following message displays when you attempt to save the model:   <i>“The Term of the last step must equal the Term of the Mod (in months).”</i> </td> </tr> </table>	<b>Step</b>	Identifies the step number. You may enter a maximum of five steps.	<b>Rate</b>	The interest rate in effect through the number month indicated in the term column. The rate for the first step automatically populates with the value entered in the Modified Note Rate field.	<b>Term</b>	Identifies the number month through which the interest rate is effective.  The value entered for the last step in this field must equal the value entered in the Term of the Mod field. If it does not, the following message displays when you attempt to save the model:  <i>“The Term of the last step must equal the Term of the Mod (in months).”</i>													
<b>Step</b>	Identifies the step number. You may enter a maximum of five steps.																		
<b>Rate</b>	The interest rate in effect through the number month indicated in the term column. The rate for the first step automatically populates with the value entered in the Modified Note Rate field.																		
<b>Term</b>	Identifies the number month through which the interest rate is effective.  The value entered for the last step in this field must equal the value entered in the Term of the Mod field. If it does not, the following message displays when you attempt to save the model:  <i>“The Term of the last step must equal the Term of the Mod (in months).”</i>																		
<b>DDLPI</b>	<p>The due date of the last paid installment as of the modification effective date, which is the DDLPI you reported to Freddie Mac as of the last accounting cycle cutoff in the month prior to the first modified payment due date.</p> <p>This field automatically populates and is not available for edit.</p>																		
<b>Current UPB</b>	<p>The unpaid principal balance reported to Freddie Mac as of the last accounting cycle cutoff prior to the first modified payment due date.</p> <p>This field automatically populates and is not available for edit.</p>																		

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Interest from DDLPI to Mod Effective Date</b>	<p>The amount of interest accrued from the DDLPI to the modification effective date.</p> <p>This field automatically populates when you enter values in the DDLPI at Confirmation and UPB at Confirmation fields.</p>
<b>Other Amounts Advanced or to be Advanced</b>	<p>The total amount for any of the following expenses:</p> <ul style="list-style-type: none"> <li>▪ Funds advanced by you, or to be advanced and paid to a third party for the payment of real estate taxes and insurance premiums (<b>Reminder:</b> You may only capitalize the first incurred late fee, interest, or penalty associated with the late payment of real estate taxes on a non-escrowed mortgage.)</li> <li>▪ Any other expenses that were advanced and paid to a third party as specified in Guide Sections 9301.34 and 9701.5.</li> </ul> <p>If there are no other amounts advanced or to be advanced, enter zero in this field.</p>
<b>Legal Fees and Costs</b>	<p>Foreclosure expenses, including legal fees and costs incurred as part of the foreclosure process, incurred from the DDLPI to the effective date of the modification.</p> <p>If there are no legal fees or costs, enter zero in this field.</p>
<b>Property Preservation Expenses</b>	<p>Property preservation expenses, including property inspection fees, incurred from the DDLPI to the effective date of the modification.</p> <p>If there are no property preservation expenses, enter zero in this field.</p>
<b>Total Additions Plus Current UPB</b>	<p>This field automatically populates and is calculated as follows:</p> <p>Current UPB + Interest from DDLPI to Mod Effective Date + Other Amounts Advanced or to be Advanced + Legal Fees and Costs + Property Preservation Expenses</p>
<b>Amount Held in Suspense/ Restricted Escrow</b>	<p>The sum of the following:</p> <ul style="list-style-type: none"> <li>▪ Funds held in suspense</li> <li>▪ Restricted escrow</li> </ul>
<b>Total Write-off</b>	<p>The total amount to be written off. This field automatically populates and is calculated as follows:</p> <p>Total Additions Plus Current UPB – Interest Bearing Modified UPB</p> <p><b>Note:</b> This value should never be a negative number. A negative value indicates that data is missing or inaccurate. Ensure that you have entered all required data accurately.</p>

## Enter Data for and Evaluate Modifications

Field Definition	
<b>Deferred Non-Interest Bearing UPB</b>	<p>Total amount of principal forborne as of the modification effective date.</p> <p><b>Note:</b> Do not include any write-off amount or unsecured portion of the UPB in this field. These amounts are already reflected in the UPB Write-Down and Total Write-off fields. The value entered in this field should only reflect forbearance/non-interest bearing portions of the UPB which are generally not common for court mandated modifications.</p>
<b>Interest Bearing Modified UPB</b>	<p>The UPB of the modified mortgage as of the modification effective date. This amount does not include any forborne principal.</p> <p>Total Additions Plus Current UPB – Total Write-off – Deferred Non-Interest Bearing UPB = Interest Bearing Modified UPB</p> <p>See “Special Instructions for Completing the UPB Write-Down and Interest Bearing Modified UPB Fields” in this chapter.</p>

### Special Instructions for Completing the UPB Write-Down and Interest Bearing Modified UPB Fields

Refer to the information in this section when entering the following court mandated modifications:

- Bankruptcy cramdown with UPB write-off and no payments passed through after confirmation
- Bankruptcy cramdown with UPB write-off and payments passed through after confirmation
- Total debt modification – no UPB write-off and no payments passed through after confirmation
- Total debt modification – no UPB write-off and payments passed through after confirmation

#### ***Bankruptcy Cramdown with UPB Write-off and No Payments Passed Through after Confirmation***

Enter the required data and refer to the following when completing the UPB Write-Down and Interest Bearing Modified UPB fields:

1. Enter the court ordered interest bearing UPB in the Interest Bearing Modified UPB field.

## Enter Data for and Evaluate Modifications

In this example, the court ordered interest bearing UPB is \$85,000.

The screenshot shows a software interface with the following fields and values:

- UPB at Confirmation (\$): 150,264.98
- DDLPI at Confirmation: 12/01/2015
- Interest Bearing Modified UPB (\$): 85,000.00 (indicated by a red arrow pointing up)
- UPB Write-down (\$): (empty)

2. Subtract the value entered in the Interest Bearing Modified UPB field from the value entered in the UPB at Confirmation field.

Example:  $\$150,264.98 - \$85,000 = \$65,264.98$

3. Enter the result from step 2 in the UPB Write-Down field.

The screenshot shows the software interface with the following fields and values:

- UPB at Confirmation (\$): 150,264.98 (indicated by a red arrow pointing to the field)
- DDLPI at Confirmation: 12/01/2015
- Interest Bearing Modified UPB (\$): 85,000.00 (indicated by a red arrow pointing up)
- UPB Write-down (\$): 65,264.98 (indicated by a red arrow pointing up)

### ***Bankruptcy Cramdown with UPB Write-Off and Payments Passed Through after Confirmation***

Enter the required data and refer to the following when completing the UPB Write-Down and Interest Bearing Modified UPB fields:

1. Subtract the court ordered interest bearing UPB from the value entered in the UPB at Confirmation field. This is the amount of principal to be written off.

In this example, the value entered in the UPB at Confirmation field is \$164,264.98 and the court ordered interest bearing UPB is \$85,000.

$\$164,264.98 - \$85,000 = \$79,264.98$

2. Enter the result from step 1 in the UPB Write-Down field.

The screenshot shows the software interface with the following fields and values:

- UPB at Confirmation (\$): 164,264.98 (indicated by a red arrow pointing to the field)
- DDLPI at Confirmation: 12/01/2015
- Interest Bearing Modified UPB (\$): (empty)
- UPB Write-down (\$): 79,264.98 (indicated by a red arrow pointing to the field)

## Enter Data for and Evaluate Modifications

- Determine the total payment amount passed through. To do this, subtract the value displayed in the Current UPB field from the value entered in the UPB at Confirmation field.

In this example, the value in the Current UPB field is \$150,264.98 and the value entered in the UPB at Confirmation field is \$164,264.98.

$$\$164,264.98 - \$150,264.98 = \$14,000 \text{ (total payment amount passed through)}$$

Do not enter this value on the screen. You will use it in step 4.

- Determine the value to enter in the Interest Bearing Modified UPB field. To do this, subtract the total payment amount passed through (the amount you calculated in step 3) from the court ordered interest bearing UPB.

In this example, the court ordered interest bearing UPB is \$85,000. The total payment amount passed through, as calculated in step 3, is \$14,000.

$$\$85,000 - \$14,000 = \$71,000$$

- Enter the result from step 4 in the Interest Bearing Modified UPB field.

## Enter Data for and Evaluate Modifications

### **Total Debt Modification – No UPB Write-off and No Payments Passed Through after Confirmation**

Enter the required data and refer to the following when completing the UPB Write-Down and Interest Bearing Modified UPB fields:

1. Enter zero in the UPB Write-Down field.
2. Enter the court ordered interest bearing UPB in the Interest Bearing Modified UPB field.

In this example, the court ordered interest bearing UPB is \$151,656.30.

UPB at Confirmation (\$): 150,200.00  
 DDLPI at Confirmation: 12/01/2015  
 UPB Write-down (\$): 0.00  
 Interest Bearing Modified UPB (\$): 151,656.30

### **Total Debt Modification – No UPB Write-off and Payments Passed Through after Confirmation**

Enter the required data and refer to the following when completing the UPB Write-Down and Interest Bearing Modified UPB fields:

1. Enter zero in the UPB Write-Down field.
2. Determine the total payment amount passed through. To do this, subtract the value displayed in the Current UPB field from the value entered in the UPB at Confirmation field.

In this example, the Current UPB equals \$15,523.98 and the UPB at Confirmation equals \$17,523.98.

$\$17,523.98 - \$15,523.98 = \$2,000$  (total payment amount passed through)

Do not enter this value on the screen. You will use it in step 3.

**Court Mandated Modification**  
 Modification Type: Bankruptcy  
 Bankruptcy Type: Chapter 13  
 Modified Note Rate (%): 7.500  
 Accounting Net Yield (%): 7.250  
 Mod Effective Date: 03/01/2015  
 First Payment Due Date: 04/01/2015  
 Term of the Mod (in months): 60  
 Maturity Date: 03/01/2020  
 Confirmation Date: 09/29/2015  
 P & I (\$): 413.26  
 UPB at Confirmation (\$): 17,523.98  
 DDLPI at Confirmation: 07/01/2015  
 UPB Write-down (\$): 0.00  
 Balloon:   
 Step Rate:

**Current UPB Plus Additions**  
 DDLPI: 08/01/2015  
 Current UPB (\$): 15,523.98  
 Interest from DDLPI to Mod Effective Date (\$): 5,000.00  
 Other Amounts Advanced or to be Advanced (\$): 2,000.00  
 Legal Fees and Costs (\$): 100.00  
 Property Preservation Expenses (\$): 0.00  
 Total Additions Plus Current UPB (\$): 22,623.98  
**Subtractions To Principal Balance**  
 Amount Held In Suspense/Restricted Escrow (\$): 0.00  
 Total Write-off (\$): 2,000.00  
 Deferred Non Interest Bearing UPB (\$):  
 Interest Bearing Modified UPB (\$):

## Enter Data for and Evaluate Modifications

- Determine the value to enter in the Interest Bearing Modified UPB field. To do this, subtract the total payment amount passed through (the amount you calculated in step 2) from the court ordered interest bearing UPB.

In this example, the court ordered interest bearing UPB is equal to the value calculated and displayed in the Total Additions Plus Current UPB field. The total payment amount passed through, as calculated in step 2, is \$2,000.

$$\$22,623.98 - \$2,000 = \$20,623.98$$

- Enter the result from step 3 in the Interest Bearing Modified UPB field.

Court Mandated Modification	Current UPB Plus Additions
* Modification Type: <input type="text" value="Bankruptcy"/>	DDLPI: <input type="text" value="08/01/2015"/>
* Bankruptcy Type: <input type="text" value="Chapter 13"/>	Current UPB (\$): <input type="text" value="15,523.98"/>
* Modified Note Rate (%): <input type="text" value="7.500"/>	Interest from DDLPI to Mod Effective Date (\$): <input type="text" value="5,000.00"/>
Accounting Net Yield (%): <input type="text" value="7.250"/>	* Other Amounts Advanced or to be Advanced (\$): <input type="text" value="2,000.00"/>
* Mod Effective Date: <input type="text" value="03/01/2015"/>	* Legal Fees and Costs (\$): <input type="text" value="100.00"/>
First Payment Due Date: <input type="text" value="04/01/2015"/>	* Property Preservation Expenses (\$): <input type="text" value="0.00"/>
* Term of the Mod (in months): <input type="text" value="60"/>	Total Additions Plus Current UPB (\$): <input type="text" value="22,623.98"/>
Maturity Date: <input type="text" value="03/01/2020"/>	<b>Subtractions To Principal Balance</b>
* Confirmation Date: <input type="text" value="09/29/2015"/>	Amount Held In Suspense/Restricted Escrow (\$): <input type="text" value="0.00"/>
* P & I (\$): <input type="text" value="413.26"/>	Total Write-off (\$): <input type="text" value="2,000.00"/>
* UPB at Confirmation (\$): <input type="text" value="17,523.98"/>	Deferred Non Interest Bearing UPB (\$): <input type="text" value=""/>
* DDLPI at Confirmation: <input type="text" value="07/01/2015"/>	* Interest Bearing Modified UPB (\$): <input type="text" value="20,623.98"/>
* UPB Write-down (\$): <input type="text" value="0.00"/>	
Balloon: <input type="checkbox"/>	
Step Rate: <input type="checkbox"/>	

## Understanding the Court Mandated Modification Statuses

The following table identifies and provides a brief description of the statuses that display in the Current Status field in the upper left corner of the Court Mandated Modification screen.

Current Status	Description
Draft	Data or partial data is entered. You have not transmitted the model to Freddie Mac.
Pending Review	You have transmitted the model to Freddie Mac and are awaiting our response.
Approve	Freddie Mac has completed its review and changed the status to "Approve." You can view the model, but cannot edit any data.

# Enter Data for and Evaluate Modifications

## Transmit the Court Mandated Modification Model to Freddie Mac

After you have entered all required data, click the **Send to FM** button to submit the court mandated modification to us. A message displays at the top of the screen, indicating that you have successfully sent the model to Freddie Mac.

The current status is now "Pending Review."

The screenshot shows the 'Court Mandated Modification' form. At the top, the status is 'Current Status: Pending Review'. A red arrow points to this status. To the right, a message box says 'Successfully sent to Freddie Mac', also highlighted with a red box and arrow. The form contains two main sections: 'Court Mandated Modification' and 'Current UPB Plus Additions'. The 'Court Mandated Modification' section includes fields for Modification Type (Bankruptcy), Bankruptcy Type (Chapter 11), Modified Note Rate (3.750%), Accounting Net Yield (3.500%), Mod Effective Date (04/01/2016), First Payment Due Date (05/01/2016), Term of the Mod (480 months), Maturity Date (04/01/2056), Confirmation Date (04/14/2016), P & I (\$), UPB at Confirmation (\$), DDLPI at Confirmation (12/01/2015), and UPB Write-down (\$). The 'Current UPB Plus Additions' section includes DDLPI (01/01/2016), Current UPB (\$), Interest from DDLPI to Mod Effective Date (\$), Other Amounts Advanced or to be Advanced (\$), Legal Fees and Costs (\$), Property Preservation Expenses (\$), Total Additions Plus Current UPB (\$), Subtractions To Principal Balance, Amount Held In Suspense/Restricted Escrow (\$), Total Write-off (\$), Deferred Non Interest Bearing UPB (\$), and Interest Bearing Modified UPB (\$).

All fields are disabled and are not available for edit. The **Send to FM** button is no longer displayed.

## After You Transmit the Court Mandated Modification Model to Us

After you transmit the model to us, it is in a "Pending Review" status and is read-only.

If you retrieve the model in Workout Prospector while it is pending our review, the following message displays:

The screenshot shows the same 'Court Mandated Modification' form as before, but with a warning message overlay. The message box says 'Message from webpage' and contains a warning icon and the text: 'This loan is being reviewed by a loss mitigation specialist at Freddie Mac and is read only.' A red arrow points to the 'OK' button in the message box. A green callout box on the left says: 'Click OK to close the message. After you click OK, all of the fields are disabled and are read-only.'

# Enter Data for and Evaluate Modifications

## After We Complete Our Review of the Court Mandated Modification

After we complete our review, we will change the status to “Approve” or decline the court mandated modification.

If we change the status to “Approve”, the screen displays as shown below.

- The current status displayed in the upper left corner of the screen is “Approve.”
- You may view the model, but cannot make any changes to it.

The screenshot shows the 'Court Mandated Modification' interface. At the top left, it says 'Current Status: Approve'. A red arrow points to this text, with a callout box stating 'The current status is “Approve.”'. The interface is divided into two main sections: 'Court Mandated Modification' on the left and 'Current UPB Plus Additions' on the right. The 'Court Mandated Modification' section includes fields for Modification Type (Bankruptcy), Bankruptcy Type (Chapter 11), Modified Note Rate (3.750%), Accounting Net Yield (3.500%), Mod Effective Date (04/01/2016), First Payment Due Date (05/01/2016), Term of the Mod (480 months), Maturity Date (04/01/2056), Confirmation Date (04/14/2016), P & I (\$), UPB at Confirmation (\$), DDLPI at Confirmation (12/01/2015), and UPB Write-down (\$). The 'Current UPB Plus Additions' section shows DDLPI (01/01/2016), Current UPB (\$), Interest from DDLPI to Mod Effective Date (\$), Other Amounts Advanced or to be Advanced (\$), Legal Fees and Costs (\$), Property Preservation Expenses (\$), Total Additions Plus Current UPB (\$), Subtractions To Principal Balance, Amount Held In Suspense/Restricted Escrow (\$), Total Write-off (\$), Deferred Non Interest Bearing UPB (\$), and Interest Bearing Modified UPB (\$). A green callout box at the bottom right states 'All fields are disabled and cannot be changed.'

If we decline the modification, the Borrower Information screen displays when you retrieve the loan record.

The screenshot shows the 'Borrower Information' screen. It features a 'Save' button in the top right corner. Below the title, there are links for 'Expand All' and 'Collapse All'. The 'Borrower' section is expanded, showing fields for First Name, Last Name, Street, City, State (set to CO), and Salutation.

Use Workout Prospector to pursue other alternatives to foreclosure that Freddie Mac offers in accordance with the evaluation hierarchy set forth in Guide Section 9201.2 and the specific Guide requirements for each available alternative to foreclosure.

# Document Comments for Modifications

# Chapter 4

## Introduction

Before you send your model to us, you must ensure that you have provided appropriate comments to support your decision to offer a borrower a modification. It's important that you thoroughly document and explain the situation completely.

## Objectives

After completing this chapter, you will:

- Be familiar with the Comments screen, which is available for modifications only
- Be able to document comments for modifications appropriately

## The Comments Screen

For modifications, the following screen is available via the Comments link on the To Do list.

The Comments link also displays on the To Do List for the Loan Modification Settlement screen, so that you document any additional details about the modification prior to submitting the settlement data to us.



The screenshot displays a web interface for entering comments. At the top, there is a header bar labeled "Comments". Below this, on the left, is the text "Enter Comments:". To the right of this text is a large, empty text input area with a vertical scrollbar on its right side. Below the input area, the text "Max 250 chars" is displayed. A "Save" button is positioned below the input area. Below the input area, there is a section titled "Comments History. Display 5 Records". Underneath this title is a table with three columns: "Entered By", "Updated On", and "Comment". Below the table, there are navigation buttons: "First", "Previous", "Next", "Last", and "List".

When sending a Standard Modification to us via the negotiated path, ensure that you document the specific exception you are requesting and the rationale for why your exception request should be granted on this screen.

Additionally, if you select "Other" as the primary hardship reason for a Standard Modification, provide a description of the hardship on this screen.

## Document Comments for Modifications

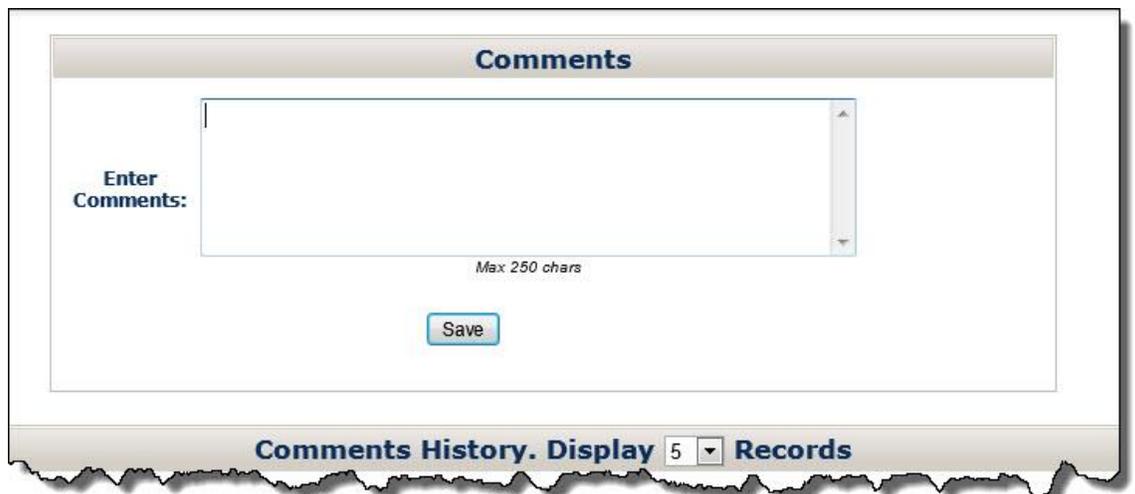
When submitting a request for an exception to your delegated authority for a loan that has been modified two or more times, ensure that you fully document the situation. Include information about the prior modifications such as the primary hardship, and the duration of the hardship. Document how the borrower's situation has changed since the prior modifications and why you believe we should grant your exception request.

### How to Document Comments for Modifications

Perform the following steps to document comments for modifications.

1. Position your cursor in the Comments section of the screen.

For specific instructions on documenting comments for Principal Reduction Modifications, refer to the [Freddie Mac Principal Reduction Modification Quick Reference](#).



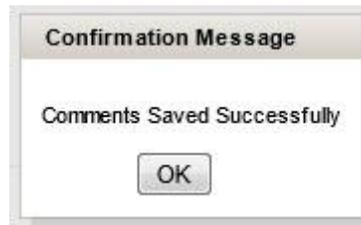
2. Enter a comment, up to a maximum of 250 characters per comment.



## Document Comments for Modifications

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3. Click **Save**. The following message displays indicating your comments have been saved.



4. Click **OK** to save your comment. Your comment will display in the Comments History section of the screen, as shown below.

The initial view displays five comments per page. Click the arrow to display 10 or 15 loans per page.



In addition to the comment you entered, your user ID and a date and time stamp also display in the comments history.

Comments Freddie Mac has entered also display in this section of the screen.

5. Repeat steps 1 through 4 to enter and save additional comments. There is no limit to the number of comments you can enter.

## Document Comments for Modifications

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# Automated Settlement for Modifications

## Chapter 5

### Introduction

Workout Prospector provides automated settlement functionality for HAMP® modifications, Freddie Mac Standard Modifications and Freddie Mac Streamlined Modifications.

### Objectives

After completing this chapter, you will:

- Be familiar with the Loan Modification Settlement screen
- Be able to submit a loan modification to Freddie Mac for settlement
- Be able to submit a loan modification to Freddie Mac for manual settlement review

### Automated Settlement Functionality

When you save a HAMP modification, Standard Modification, or Streamlined Modification in the Modification Program – Approve status, the Loan Mod Settlement link displays on the To Do List.



The Loan Mod Settlement link on the To Do List provides access to the Loan Modification Settlement screen. From this screen, you can make any adjustments that are necessary to reflect the final terms of the modification and submit it to Freddie Mac.

For mortgages insured by the FHA, or guaranteed by the VA or RHS, you must submit Form 1128, *Loss Mitigation Transmittal Worksheet*, for settlement of a mortgage modification, subject to the applicable agency's modification guidelines.

# Automated Settlement for Modifications

## Loan Modification Settlement Screen

When you select Loan Mod Settlement from the To Do List, the following screen displays:

**Loan Modification Settlement** Save

Modification Data	Current UPB Plus Additions
* Modified Note Rate (%): 3.125	* DDLP: 04/01/2010
Accounting Net Yield (%): 2.875	* Current UPB (pre-modification) (\$): 269,225.96
* Effective Date of Loan Modification Interest Rate Change: 11/01/2013	* Interest from DDLP to Effective Date of Modification Interest Rate Change (\$): 37,551.32
First Payment Due Date: 12/01/2013	* Other Amounts Advanced or to be Advanced (\$): 6,756.67
* Term of Modification (In Months): 267	* Legal Fees and Costs (\$): 6,081.30
Maturity Date: 02/01/2036	* Property Preservation Expenses (\$): 0.00
* P&I (\$): 1,662.57	Total Additions plus Current UPB (\$): 319,615.25
<b>Interest Rate Adjustment Schedule</b>	<b>Subtractions to Principal Balance</b>
* Cap Rate (%): 4.250	* Amount Held in Suspense/Restricted Escrow (\$): 0.00
	* Borrower Cash Contribution to Reduce Capitalization (\$): 0.00
	* Deferred Non Interest Bearing UPB (\$): 0.00
	Interest Bearing Modified UPB (\$): 319,615.25

By transmitting this data to Freddie Mac via Workout Prospector®, Servicer represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to modify the Mortgage, and b) Servicer's use of Workout Prospector

I Agree

\* indicates a required field Submit Pdf Download Manual Settlement Review

This section displays only for HAMP modifications.

Submits the modification to Freddie Mac for settlement.

Creates a file of the settlement data in pdf format available for download when you successfully submit settlement data to us.

Submits the loan to Freddie Mac for review prior to settlement.

Certain fields on the Loan Modification Settlement screen automatically populate based on the data entered for the modification and the suggested results of the modification solution. You may adjust the required fields (indicated with a red asterisk) as needed, to reflect the final terms of the modification.

Field Definition	
<b>Modified Note Rate</b>	The interest rate for the modified mortgage.
<b>Accounting Net Yield</b>	The accounting net yield (ANY) based on the modified mortgage terms. The ANY is the difference between the modified Note rate and the servicing spread on the modified mortgage. This field automatically calculates based on the modified Note rate.  Reminder: The servicing spread on the modified mortgage is the lower of 25 bps (.25%) or the servicing spread on the mortgage prior to modification.

## Automated Settlement for Modifications

Field Definition	
<b>Effective Date of Loan Modification Interest Rate Change</b>	<p>The date on which the new interest rate on the modified mortgage will be effective. This date is one month prior to the first modified payment due date.</p> <p>If you change this date, the First Payment Due Date is recalculated.</p>
<b>First Payment Due Date</b>	<p>The due date of the first modified payment.</p> <p>This field automatically populates based upon the Effective Date of Loan Modification Interest Rate Change.</p>
<b>Term of Modification (In Months)</b>	<p>The full term of the modified mortgage, reflected in months.</p>
<b>Maturity Date</b>	<p>The date on which the modified mortgage matures. This field automatically calculates and will change if you adjust the Effective Date of Loan Modification Interest Rate Change.</p> <p>Workout Prospector calculates the maturity date as follows:  <math>\text{First Payment Due Date} + \text{New Remaining Term} = \text{Maturity Date}</math></p> <p>Example:            If the first payment due date is March 1, 2012 and the new term is 480 months, the maturity date is February 1, 2052.</p>
<b>P&amp;I</b>	<p>The monthly principal and interest payment on the modified mortgage.</p>
<b>Cap Rate</b>	<p>The maximum rate payable under the terms of the Note. This field is applicable only to HAMP modifications and will not display for Standard Modifications or Streamlined Modifications.</p>
<b>DDLPI</b>	<p>The due date of the last paid installment as of the modification effective date, which is the DDLPI you reported to Freddie Mac as of the last accounting cycle cutoff in the month prior to the first modified payment due date. This field automatically populates and is not available for edit.</p>
<b>Current UPB (pre-modification)</b>	<p>The unpaid principal balance reported to Freddie Mac as of the last accounting cycle cutoff prior to the first modified payment due date.</p>

## Automated Settlement for Modifications

Field Definition	
<b>Interest from DDLPI to Effective Date of Modification Interest Rate Change</b>	<p>The amount of interest calculated at the pre-modification Note rate from the DDLPI to the date the interest rate on the modified mortgage is effective.</p> <p>If the Note is an ARM, you must calculate delinquent interest using the interest rate in effect during each month of the delinquent period to account for any ARM adjustments to the interest rate.</p> <p>Amounts greater than \$100,000 require manual settlement review.</p>
<b>Other Amounts Advanced or to be Advanced</b>	<p>The total amount for any of the following expenses that will be capitalized to the mortgage:</p> <ul style="list-style-type: none"> <li>▪ Funds advanced by you, or to be advanced and paid to a third party during the trial period for the payment of real estate taxes and insurance premiums (<b>Reminder:</b> You may only capitalize the first incurred late fee, interest, or penalty associated with the late payment of real estate taxes on a non-escrowed mortgage.)</li> <li>▪ Any other expenses that were advanced and paid to a third party as specified in Guide Sections 9301.34 and 9701.5, provided that they were paid to a third party during the trial period.</li> </ul> <p>Amounts greater than \$10,000 require manual settlement review.</p>
<b>Legal Fees and Costs</b>	<p>The total amount for any foreclosure expenses incurred that will be capitalized to the mortgage. This includes attorney fees and title costs incurred as part of the foreclosure process, not to exceed the reimbursable limits in Guide Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i>.</p> <p>Amounts greater than \$10,000 require manual settlement review.</p>
<b>Property Preservation Expenses</b>	<p>The total amount for any property preservation expenses or property inspection fees, not to exceed the reimbursable limits in Guide Exhibit 57, <i>1-4 Unit Property Approved Expense Amounts</i> that will be capitalized to the mortgage.</p> <p>Amounts greater than \$10,000 require manual settlement review.</p>
<b>Total Additions Plus Current UPB</b>	<p>This field automatically populates and is calculated as follows:</p> <p>Current UPB (pre-modification) + Interest from DDLPI to Effective Date of Modification Interest Rate Change + Other Amounts Advanced or to be Advanced + Legal Fees and Costs + Property Preservation Expenses</p>

## Automated Settlement for Modifications

Field Definition	
<b>Amount Held in Suspense/Restricted Escrow</b>	The sum of the following: <ul style="list-style-type: none"> <li>▪ Funds held in suspense, which includes funds held for payments received but unapplied during the trial period</li> <li>▪ Restricted escrow</li> </ul>
<b>Borrower Cash Contribution to Reduce Capitalization</b>	The amount of any cash contribution the borrower elects to make to reduce the amounts that would otherwise be capitalized.
<b>Deferred Non-Interest Bearing UPB</b>	The amount of principal forbearance on the modified mortgage. If you forbear principal, you must add a balloon payment for the amount of the principal forbearance. The balloon payment will be due on transfer, at payoff, or at maturity. Interest will not accrue on the forborne principal balance.
<b>Interest Bearing Modified UPB</b>	The UPB of the modified mortgage. This field automatically populates and is calculated as follows: Total Additions Plus Current UPB - Amount Held in Suspense/Restricted Escrow - Borrower Cash Contribution to Reduce Capitalization - Deferred Non-Interest Bearing UPB  This amount does not include any forborne principal. The borrower's monthly P&I payment is calculated based on the interest bearing UPB.

### Enter Comments to Provide Additional Details

Before you submit the modification to Freddie Mac, ensure that you have documented any additional details that you want to communicate to us. To do this, click **Comments** on the To Do List to access the Comments screen. For additional information on how to document comments for modifications, refer to Chapter 4, *Document Comments for Modifications*.



# Automated Settlement for Modifications

## How to Submit Settlement Data for Standard and Streamlined Modifications to Freddie Mac

Perform the following steps when submitting settlement data for a loan modification to Freddie Mac:

1. Document any additional details about the modification that you want to communicate to us on the Comments screen.
2. Make any adjustments necessary to reflect the final terms of the modification on the Loan Modification Settlement screen.
3. Click **Save** to retain the adjustments you made, if applicable. A message displays indicating the data was saved.



The screenshot shows the "Loan Modification Settlement" header. Below the header, there are two sections: "Modification Data" and "Current UPB Plus Additions". Under "Modification Data", there is a field for "Modified Note Rate (%)" with the value "3.125". Under "Current UPB Plus Additions", there is a field for "DDLPI" with the value "04/01/2010". To the right of the header, there is a "Save" button. A red arrow points from the "Save" button to a "Data Saved" message, which is highlighted with a red box.

4. When you are ready to send the modification to Freddie Mac, read the attestation displayed at the bottom of the screen. Click the **I Agree** checkbox if you agree with the statement. The **Submit** button is now functional.



The screenshot shows the attestation text: "By transmitting this data to Freddie Mac via Workout Prospector®, Servicer represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to modify the Mortgage, and b) Servicer's use of Workout Prospector". Below the text, there is a checkbox labeled "I Agree" which is checked. A red arrow points from the "I Agree" checkbox to the "Submit" button. Below the attestation, there is a note: "\* indicates a required field". To the right of the "Submit" button, there are two other buttons: "Pdf Download" and "Manual Settlement Review".

5. Click **Submit** to send the modification to Freddie Mac.

If there are discrepancies, the applicable error messages display at the top of the screen, as shown below. Resolve the discrepancies and click **Submit** or submit the modification for manual settlement review. Refer to the following page for additional information on manual settlement review.



The screenshot shows the "Loan Modification Settlement" header. Below the header, there is a "Save" button. Below the "Save" button, there is an error message: "The Settlement P&I does not match the modeling attributes. Please validate and resubmit the Settlement data." The error message is displayed in red text.

## Automated Settlement for Modifications

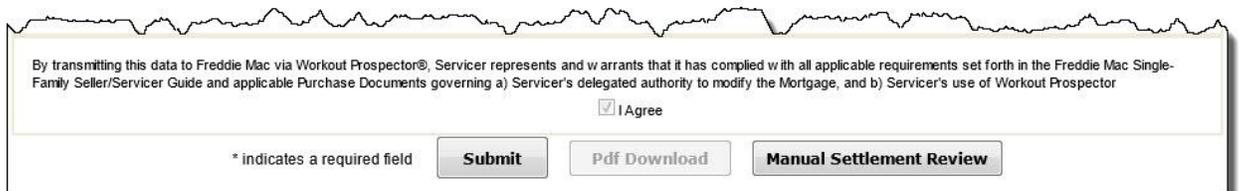
If you attempt to enter a modification into Workout Prospector and take it from Draft status all the way through to Modification Program – Approve and then submit it for settlement in the same business day, the message shown below displays. Wait one business day and then submit the modification for settlement.



Note: After you successfully submit the settlement data to us, the **Pdf Download** button is functional. We recommend that you download and retain a copy of the settlement data you submitted in your servicing file. You will not have access to the pdf download after Freddie Mac settles the modification. The **Pdf Download** button is not available if you send the modification for manual settlement review.

## Manual Settlement Review

In some instances there may be discrepancies that you are not able to resolve and require Freddie Mac to manually review. To submit a modification for manual review, click **Manual Settlement Review**.



After you submit the modification for manual settlement review, a message displays confirming the submission.



## Monitor the Modification in Workout Manager®

After you have submitted the modification to Freddie Mac for settlement, monitor the status of the modification in Workout Manager®.

## Automated Settlement for Modifications

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## Introduction

When a borrower is not eligible for a HAMP® modification, Freddie Mac Standard Modification, or Freddie Mac Streamlined Modification, you must determine if the borrower qualifies for other non-home retention alternatives to foreclosure (liquidation options) that Freddie Mac offers and input the relevant data into Workout Prospector®.

This chapter introduces and explains how to use the screens in Workout Prospector to enter data for the following liquidation options:

- Freddie Mac Standard Short Sales
- Freddie Mac Standard Deeds-in-Lieu of Foreclosure
- Charge-offs

Refer to Chapter 13, *Model, Approve, and Settle Third-Party Foreclosure Sales*, for information on modeling third-party foreclosure sales.

**Note:** Repayment plans that exceed 12 months in duration are currently submitted via the liquidation path in Workout Prospector. Refer to Chapter 7, *Analyze and Adjust Liquidation Options*, for information on how to access the Repay Plan screen.

## Objectives

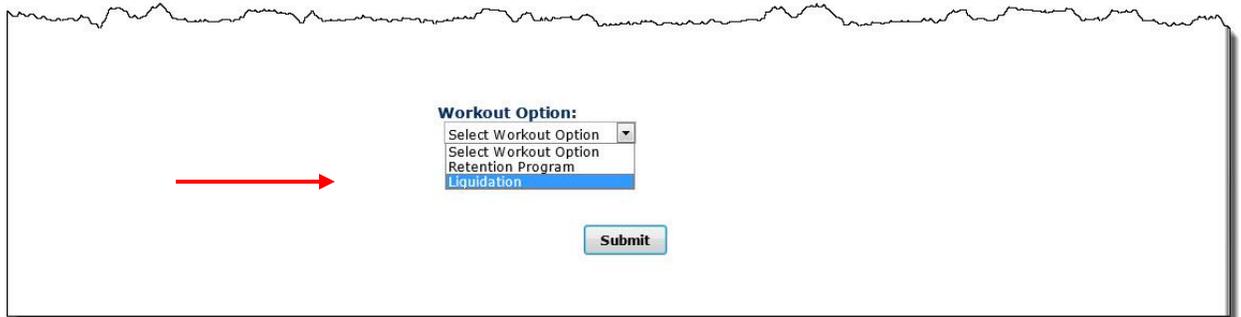
After completing this chapter, you will be familiar with the data fields and functionality available on each of the following screens for liquidation options:

- Borrower Information (This screen is also applicable to modifications.)
- Borrower Financials
- Property (This screen is also applicable to court mandated modifications.)
- Loan (This screen is also applicable to court mandated modifications.)
- Contact (This screen is also applicable to modifications.)
- HUD-1
- Credit Enhancement

# Enter Data for Liquidation Options

## How to Create a Liquidation Model

After you log in to Workout Prospector, select **Liquidation** from the Workout Option pick list and click **Submit** to create a new liquidation model.



After you click **Submit**, the Borrower Information screen displays. The To Do List will display in the left navigation bar, as shown below.

Note that the Court Mandated Mod and Model Modification links are available, providing the ability to access the Court Mandated Modification screen or Modeling Attributes screen.



The **Next** button on the liquidation screens will advance you through the various screens on the To Do List, in the order they are listed until the Workout Summary screen displays.

## Enter Data for Liquidation Options

### Data Elements Required to Evaluate a Liquidation

The following table identifies the data elements that must be populated to evaluate a liquidation option:

Screen	Field	Standard Short Sale	Standard Deed-in-Lieu	Charge-off	Make-whole
<b>Property</b>	Sales Price	X			X
	State	X	X	X	X
	Number of Units	X	X	X	X
	Conclusion Value	X	X	X	X
<b>Loan</b>	Current PITI	X	X	X	X
	Current UPB	X	X	X	X
	DDLPI	X	X	X	X
	Maturity Date	X	X	X	X
	Note rate	X	X	X	X
	Net Yield rate	X	X	X	X

### Data Elements Required to Submit a Liquidation to Freddie Mac

The following table identifies the data elements that must be populated to submit a liquidation option to Freddie Mac:

Screen	Field	Standard Short Sale	Standard Deed-in-Lieu	Charge-off	Make-whole	Repay Plan
<b>Borrower Information</b>	First Name	X	X	X	X	X
	Last Name	X	X	X	X	X
	Street	X	X	X	X	X
	State	X	X	X	X	X
	City	X	X	X	X	X
	Zip	X	X	X	X	X

## Enter Data for Liquidation Options

Screen	Field	Standard Short Sale	Standard Deed-in-Lieu	Charge-off	Make-whole	Repay Plan
<b>Property</b>	Street	X	X	X	X	X
	City	X	X	X	X	X
	Sales Price	X	X	X	X	X
	State	X	X	X	X	X
	Number of Units	X	X	X	X	X
	Conclusion Value	X	X	X	X	X
<b>Borrower Financials</b>	Monthly Liabilities	X			X	
	Monthly Expenses	X			X	
	Monthly Household Income	X			X	
	Non-Retirement Liquid Assets	X			X	
	Backend DTI Ratio	X			X	
	Hardship Reason	X			X	
	Borrower FICO	X			X	
<b>Loan</b>	Current PITI	X	X	X	X	X
	Current UPB	X	X	X	X	X
	DDLPI	X	X	X	X	X
	Maturity Date	X	X	X	X	X

## Enter Data for Liquidation Options

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Screen	Field	Standard Short Sale	Standard Deed-in-Lieu	Charge-off	Make-whole	Repay Plan
<b>Loan (continued)</b>	Note rate	X	X	X	X	X
	Net Yield rate	X	X	X	X	X
<b>HUD-1</b>	Buyer's Name	X			X	
	Settlement Date	X			X	
<b>Contact</b>	Contact Name	X	X	X	X	X

# Enter Data for Liquidation Options

## Enter Borrower Information

Document address information and other general data related to the borrower and up to three co-borrowers on the Borrower Information screen. You will also complete this screen for modifications.

The following screen displays when you create or access a liquidation model or click **Borrower Information** on the To Do List.

**Borrower Information**

Expand All | Collapse All

▼ **Borrower**

\* First Name: KEN      \* Last Name: SMITH      Salutation: [dropdown]

\* Street: 123 MAIN STREET      \* City: ANYTOWN      \* State: NY

\* Zip: 12345

Willingness to maintain property  
 Is Someone Willing to Assume this Loan?

▲ **Co-borrower 1**

▲ **Co-borrower 2**

▲ **Co-borrower 3**

Next

Refer to the following table to ensure you are familiar with the data displayed in each field. Most fields will automatically populate based on the information contained in our system. However, you may change and/or enter data. After you have entered the data, ensure that you click **Save** or **Next**.

Field Definition	
<b>First Name</b>	The borrower's first name.
<b>Last Name</b>	The borrower's last name.
<b>Salutation</b>	The borrower's salutation.
<b>Street</b>	The borrower's street address.
<b>City</b>	The city in which the borrower lives.
<b>State</b>	The state in which the borrower lives.
<b>Zip</b>	The borrower's zip code.

## Enter Data for Liquidation Options

Field Definition	
<b>Willingness to Maintain Property</b>	Do not use this field.
<b>Is Someone Willing to Assume this Loan?</b>	This field is no longer used for liquidations. If you are processing as assumption in accordance with Guide Section 9207.2, this box must be checked. It should not be checked under any other circumstances. You must also ensure the information entered on this screen identifies the person(s) assuming the mortgage – not the current borrower(s).

### Information for Co-borrowers

If there are other obligors on the mortgage, document their information in the Co-Borrower sections of the screen.

Workout Prospector allows you to enter data for up to three co-borrowers.

Click the arrows to expand and collapse each of the Co-borrower sections of the screen.

The image shows two screenshots of the software interface. The top screenshot shows the 'Co-borrower' section with three collapsed entries: 'Co-borrower 1', 'Co-borrower 2', and 'Co-borrower 3'. Each entry has a small upward-pointing arrow on the left. A red box highlights these arrows, and a red arrow points from the text box on the left to them. Above the entries are two checkboxes: 'Willingness to maintain property:' and 'Is Someone Willing to Assume this Loan?'. A 'Next' button is visible in the bottom right corner. The bottom screenshot shows the 'Co-borrower 1' section expanded. It features a 'Same As Borrower' button in the top right. Below it are input fields for 'First Name:', 'Last Name:', 'Street:', 'Zip:', 'City:', and 'Salutation:'. The 'Salutation:' and 'State:' fields are dropdown menus.

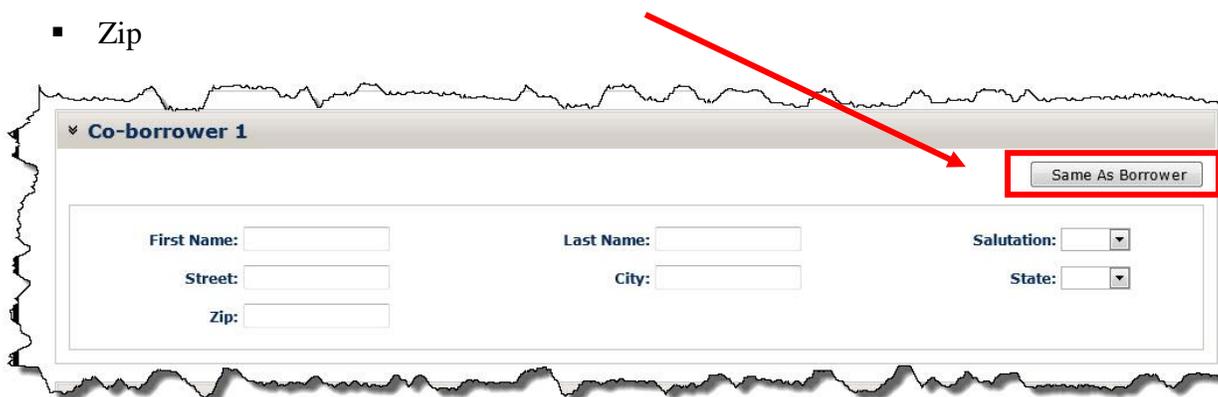
## Enter Data for Liquidation Options

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### Save Data Entry Time

If the borrower and co-borrower have the same last name and/or address, click **Same as Borrower**, shown below. The following fields in the co-borrower section will populate with same data displayed for the borrower:

- Last Name
- Street
- City
- State
- Zip



The image shows a screenshot of a software interface for entering co-borrower information. The section is titled "Co-borrower 1" and contains several input fields: "First Name:", "Last Name:", "Street:", "City:", "Zip:", "Salutation:", and "State:". A red box highlights a button labeled "Same As Borrower" in the top right corner of the form. A red arrow points from the top right towards the button. The entire screenshot is framed with a torn paper effect.

# Enter Data for Liquidation Options

## Enter Borrower Financials

Document data related to the borrower and co-borrower's income, expenses, assets, and liabilities on the Borrower Financials screen.

The following screen displays when you click **Next** on the Borrower Information screen for a liquidation option or select **Borrower Financials** from the To Do List:

### How to Complete the Borrower Financials Screen

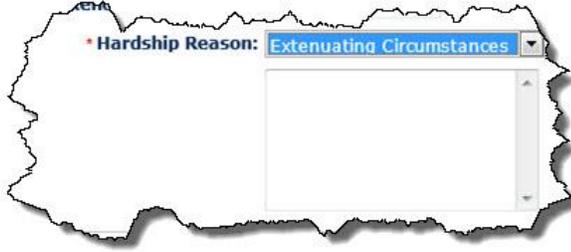
Refer to the following table to ensure you enter the appropriate data in each field. After you have entered the data, ensure that you click **Save** or **Next**.

Field Definition	
<b>Monthly Liabilities</b>	<p>Enter the total monthly liabilities for all borrowers on the Note.</p> <p>Include the monthly payments due on the following:</p> <ul style="list-style-type: none"> <li>▪ The borrower's monthly housing expense on his or her primary residence</li> <li>▪ Installment debt with more than 10 months of payments remaining</li> <li>▪ Monthly payments for revolving accounts, HELOCs</li> <li>▪ Alimony and separate maintenance payments with more than 10 months of payments remaining</li> <li>▪ Car lease payments, regardless of the number of months remaining</li> <li>▪ Aggregate negative net rental income from all investment properties owned</li> <li>▪ Monthly mortgage payment for a second home</li> <li>▪ Payments on any subordinate lien</li> </ul> <p>For additional details, refer to Guide Section 9208.3.</p> <p>If borrower financials are not required, enter zero in this field.</p>

## Enter Data for Liquidation Options

Field Definition	
<b>Monthly Expenses</b>	Enter the total of all other monthly expenses for all borrowers on the Note. If borrower financials are not required, enter zero in this field.
<b>Monthly Household Income</b>	Enter the total gross monthly income for all borrowers on the Note. If borrower financials are not required, enter zero in this field.
<b>Non-Retirement Liquid Assets</b>	<p>Enter the total amount of non-retirement liquid assets for all borrowers on the Note.</p> <p>Include any non-retirement liquid assets the borrowers have available from any financial institution or brokerage, including, but not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Funds on deposit in the borrower’s checking, savings, money market, or certificate of deposit account or other depository account</li> <li>▪ Stocks, bonds, mutual funds, U.S. Government Securities and other securities that are traded on an exchange or marketplace generally available to the public (e.g., New York Stock Exchange, National Association of Securities Dealers Automated Quotations, Midwest SE, Chicago Board of Trade or Over the Counter) for which the price can be verified through financial publications</li> </ul> <p>If borrower financials are not required, enter zero in this field.</p>
<b>Backend DTI Ratio</b>	<p>Calculate and enter the monthly back-end debt payment-to-income (DTI) ratio. If you enter a whole number, the value will re-display with one decimal place when you save the model. If you enter a whole number with a decimal, it will round to the nearest tenth when you tab out of the field.</p> <p>Example: If you enter 53, Workout Prospector displays 53.0 when you save the model. If you enter 54.67, Workout Prospector displays 54.7 when you tab out of the field.</p> <p>For information on calculating the back-end DTI ratio, refer to Guide Section 9208.3.</p> <p>If borrower financials are not required, enter zero in this field.</p>

## Enter Data for Liquidation Options

Field Definition	
<b>Hardship Reason</b>	<p>Select the primary hardship reason from the pick list.</p> <p>If you select “Extenuating Circumstances,” a text box displays as shown below. You must enter a brief description of the extenuating circumstances. The description you enter must not exceed 250 characters.</p> 
<b>Borrower FICO</b>	Enter the borrower’s FICO score.
<b>Borrower FICO Date</b>	Enter the date on which you obtained the borrower’s FICO score.
<b>Co-Borrower FICO</b>	Enter the co-borrower’s FICO score, if applicable.
<b>Co-Borrower FICO Date</b>	Enter the date on which you obtained the co-borrower’s FICO score, if applicable.
<b>“Are there new mortgages?” Checkbox</b>	<p>Select this checkbox if one of the following conditions exist:</p> <ul style="list-style-type: none"> <li>▪ The loan is delinquent and the borrower’s credit report indicates he or she has obtained a new mortgage in the six months prior to the DDLPI.</li> <li>▪ The loan is current and the borrower’s credit report indicates he or she has obtained a new mortgage in the six months prior to the short sale evaluation date.</li> </ul>

# Enter Data for Liquidation Options

## Enter Property Information

The Property screen is used to collect data about the subject property that is used to calculate the savings over REO and anticipated losses for the alternative to foreclosure you select.

For liquidation options other than Freddie Mac Standard Short Sales, the property screen displays as shown below, when you click **Next** on the Borrower Financials screen for a liquidation option or select **Property** from the To Do List.

**Property**

**Property Address**

\* Street: 123 MAIN STREET    \* City: ANYTOWN    \* State: NY    \* Zip: 12345

Disaster Name:

**Valuation**

\* Conclusion Value (\$):

Sales Price (\$):

**Credit Bid**

Foreclosure Bid Property Value Estimate: (\$) 138,000.00    Credit Bid: (\$) 79,804.00    Good Through Date: 08/31/2015    Valuation Method: BPO

Modified Credit Bid: (\$)

Contract Sales Date:     Org Value (\$): 0.00

Units Rented:     # of Units: 1    # of Units Rented: None

Property listed in MLS:     MLS List Date:

Owner Occupied:

Purchaser related to Seller:

Aff. by Disaster:

Back    Next

The Credit Bid section displays for all liquidation options, but is only applicable to third-party foreclosure sales.

Refer to Chapter 13, *Model, Approve, and Settle Third-Party Foreclosure Sales*, for information on modeling third-party foreclosure sales.

The Modified Credit Bid fields display when a credit bid has been obtained. These fields are read-only. Refer to page 15 in this chapter for additional information if you used a modified credit bid.

## Enter Data for Liquidation Options

For Freddie Mac Standard Short Sales, the Property screen does not display a Conclusion Value field. Instead, the following three fields display:

- Estimated Market Value
- Minimum Net Proceeds
- Good Through Date

### Property

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#### Property Address

\* Street:    \* City:    \* State:    \* Zip:   
Disaster Name:

---

#### Valuation

Sales Price (\$):

#### MNP (\$):

Estimated Market Value: (\$) <input type="text" value="157,000.00"/>	Minimum Net Proceeds: (\$) <input type="text" value="91,641.85"/>	Good Through Date: <input type="text" value="04/16/2015"/>
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#### Credit Bid

Foreclosure Bid Property Value Estimate: (\$) <input type="text"/>	Credit Bid: (\$) <input type="text"/>	Good Through Date: <input type="text"/>	Valuation Method: <input type="text"/>
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Contract Sales Date: <input type="text" value="09/24/2015"/>	Org Value (\$): <input type="text" value="0.00"/>	
Units Rented: <input type="checkbox"/>	# of Units: <input type="text" value="1"/>	# of Units Rented: <input type="text" value="None"/>
Property listed in MLS: <input checked="" type="checkbox"/>	MLS List Date: <input type="text"/>	
Owner Occupied: <input checked="" type="checkbox"/>		
Purchaser related to Seller: <input type="checkbox"/>		
Aff. by Disaster: <input type="checkbox"/>		

## Enter Data for Liquidation Options

Many of the fields on the Property screen automatically populate. Refer to the following table to:

- Ensure you have an understanding of the fields that automatically populate.
- Ensure you provide the correct data in the fields that do not automatically populate.

Field Definition		
<b>Street</b>	Street address for the subject property.	
<b>City</b>	City in which the subject property is located.	
<b>State</b>	State in which the subject property is located.	
<b>Zip Code</b>	Zip code for the subject property.	
<b>Disaster Name</b>	The disaster that impacted the property, if applicable. This field is not editable.	
<b>Conclusion Value</b>	The “As-Is” value from the most recent property valuation.	
<b>Sales Price</b>	The sales price documented in the contract. When you enter a value in this field, HUD-1 displays in the To Do List. The <b>Next</b> button on this screen will advance you to the HUD-1 screen.	
<b>Estimated Market Value</b>	The estimated value of the property based on current market data.	These fields display only when there is minimum net proceeds data available.
<b>Minimum Net Proceeds</b>	The minimum amount that Freddie Mac will accept for the short sale. The short sale offer price minus allowable expenses and allowable transaction costs should meet or exceed the minimum net proceeds amount.	
<b>Good Through Date</b>	The date through which the minimum net proceeds value and estimated market value are valid.	

## Enter Data for Liquidation Options

Field Definition		
<b>Foreclosure Bid Property Value Estimate</b>	The estimated property valuation returned with the credit bid.	<p>These fields display for all liquidation options, but are only applicable to third-party foreclosure sales.</p> <p>Refer to Chapter 13, <i>Model, Approve, and Settle Third-Party Foreclosure Sales</i>, for information on modeling third-party foreclosure sales.</p>
<b>Credit Bid</b>	The maximum bid for a property at foreclosure sale that you are authorized to bid, as delegated by Freddie Mac, before the property can be purchased by a third party.	
<b>Good Through Date</b>	The date through which the credit bid is valid.	
<b>Valuation Method</b>	The methodology used to determine the estimated property valuation returned with the credit bid.	
<b>Modified Credit Bid</b>	<p>This field displays when a credit bid has been obtained and is read-only.</p> <p>If you used a modified credit bid, e-mail Form 105, <i>Multipurpose Loan Servicing Transmittal</i>, to <a href="mailto:shortsales@FreddieMac.com">shortsales@FreddieMac.com</a>. Include the amount used for the bid on the form and supporting documentation. We will update the model and then notify you via e-mail when you can submit it for settlement.</p>	
<b>Contract Sales Date</b>	Date on which a sales contract for the property was signed.	
<b>Units Rented</b>	If checked, indicates that there are rental units in the property.	
<b>Property Listed in MLS</b>	If checked, indicates that the property is listed in the Multiple Listing Service.	
<b>Owner Occupied</b>	Check this box if the property is currently owner-occupied.	
<b>Purchaser Related to Seller</b>	Check this box if the purchaser is related to the seller.	
<b>Aff. By Disaster</b>	Check this box if the property has been affected by a natural or man-made disaster.	
<b>Original Value</b>	Property value at time of origination. Ensure that you provide this information when submitting a charge-off.	

## Enter Data for Liquidation Options

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Field Definition	
<b># of Units</b>	Number of units in the subject property.
<b>MLS List Date</b>	Date on which the property was listed in the MLS.
<b># of Units Rented</b>	Number of units in the subject property that are rented. This field should display “None” when submitting a charge-off.

# Enter Data for Liquidation Options

## Enter Loan Information

The Loan screen collects and displays basic data about the loan, including MI information (if applicable), and second lien information (if applicable).

The Loan screen displays when you click **Next** on the Property screen (if you have not entered a Sales Price on the Property screen) or select **Loan** from the To Do List.

Many of the fields on the Loan Information screen automatically populate. Refer to the following table to:

- Ensure you have an understanding of the fields that automatically populate.
- Ensure you provide the correct data in the fields that do not automatically populate.

Field Definition	
<b>Workout Requested by Borrower</b>	This field is no longer applicable.
<b>Origination Date</b>	Date on which the loan was originated.

## Enter Data for Liquidation Options

	Field Definition	
<b>Funding Date</b>	<p>The date on which Freddie Mac disburses payment to the Seller for a mortgage Freddie Mac purchased.</p> <p>For warehouse lending arrangements, the funding date is the date when Freddie Mac disburses payment to the warehouse lender or the seller for a mortgage purchased by Freddie Mac.</p>	
<b>Original LTV</b>	The loan-to-value ratio at origination.	
	<b>If you enter:</b>	<b>Then:</b>
	<p>A value greater than 999 percent</p> <p>Zero</p>	<p>The following error message displays when you leave the data entry field:</p> <p style="text-align: center;"><i>“Enter a value from 0.001 to 999.0.”</i></p>
<b>Maturity Date</b>	Date on which the mortgage reaches maturity.	
<b>Current UPB</b>	The current unpaid principal balance (UPB) of the mortgage.	
<b>DDLPI</b>	<p>The due date of the last full paid installment of principal, interest, and escrow, if any, received from the borrower. Check the date displayed in this field. This data downloads from the information you report via EDR, so it may be one month behind. If necessary, update the date displayed to ensure it is accurate.</p>	
<b>Participation %</b>	Represents the undivided interest in a mortgage purchased by Freddie Mac under a Freddie Mac participation program.	
<b>Note Rate</b>	<p>The interest rate payable under the Note. For adjustable-rate mortgages (ARMs), the note rate may adjust from time to time in accordance with the terms of the Note.</p> <p><b>Note:</b> For loans to servicemembers who are receiving a reduced rate and payment relief under the Servicemembers Civil Relief Act, the interest rate is equal to the interest rate in effect prior to implementation of the temporary SCRA interest rate.</p>	
<b>Net Yield Rate</b>	The rate that Servicers use to report and remit interest to Freddie Mac each month. The net yield rate for each mortgage is equal to the note rate less the servicing spread of the mortgage.	
<b>Remaining Term</b>	The total number of remaining months the borrower has to satisfy the mortgage debt. For example, if the borrower has a 30-year mortgage that originated two years ago, the remaining term in months is 336.	

## Enter Data for Liquidation Options

---

Field Definition	
<b>Foreclosure Begin Date</b>	Date on which the loan was referred to foreclosure.
<b>Scheduled Foreclosure Sale Date</b>	Date on which the foreclosure sale is scheduled to occur.
<b>P&amp;I</b>	The borrower's monthly mortgage P&I payment.
<b>Taxes</b>	The borrower's monthly payment for taxes.
<b>Hazard Insurance</b>	The borrower's monthly payment for hazard insurance.
<b>Mortgage Insurance</b>	The borrower's monthly payment for mortgage insurance.
<b>Current PITI</b>	This value automatically calculates based on the values entered for P&I, Taxes, Hazard Insurance, and Mortgage Insurance.
<b>Annual RE Taxes</b>	The annual amount of real estate taxes the borrower pays. This value automatically calculates and is equal to the amount entered for Taxes multiplied by 12.
<b>2<sup>nd</sup> Lien UPB</b>	The unpaid principal balance of the second lien, if applicable.
<b>Company Name</b>	Name of the organization that holds the second lien, if applicable.
<b>MI %</b>	The percentage of mortgage insurance coverage, if applicable.
<b>MI Certification Number</b>	The mortgage insurance certification number, if applicable.
<b>MI Name</b>	The name of mortgage insurer, if applicable.
<b>MI Warnings</b>	This field displays MI warnings for loans with back end MI (BEMI).

# Enter Data for Liquidation Options

## Enter Contact Information

The Contact Information screen identifies who we should contact at your institution if we have questions about your model or proposed foreclosure alternative.

### Contact Information

[Expand All](#) | [Collapse All](#)

**▼ Servicer**

Servicer Name:

S/S Number:       S/S Loan Number:

Contact Name:  ▼

Create New Contact:

New Contact Name:       Phone:

Email:

**▼ FHLMC**

Negotiator Name:  ▼      Phone:

Settlement Specialist:  ▼      Phone:

**▼ Broker Info**

Broker Name:       Salutation:  ▼

Phone:       Ext:

Fax:

Address:       City:

State:  ▼      Zip:

Refer to the following table to ensure you complete this screen accurately.

Field Definition	
<b>Servicer Name</b>	The name of your organization. This field will automatically populate.
<b>S/S Number</b>	Your six-digit Freddie Mac Seller/Servicer number. This field will automatically populate.
<b>Contact Name</b>	<p>The name of the primary contact at your organization we should contact with questions about the loan.</p> <p><b>Note:</b> When selecting an existing contact name, enter the contact's e-mail address on the Comments screen (for modifications) or on the Warnings and Comments screen (for liquidation options). Additionally, ensure that you also document a back-up contact name and e-mail address in your comments.</p>

## Enter Data for Liquidation Options

---

Field Definition	
<b>Create New Contact</b>	Click this box to add a new contact. After you click the box, complete the New Contact Name and Email fields.
<b>New Contact Name</b>	Enter the name of the new contact in this field.
<b>Email</b>	The contact person's e-mail address. The e-mail address you enter must contain at least one @.
<b>S/S Loan Number</b>	The number your organization has assigned to the loan.
<b>Phone</b>	The primary contact person's phone number.
<b>Broker Name</b>	The brokers' first and last name.
<b>Phone</b>	The brokers' phone number.
<b>Fax</b>	The brokers' fax number.
<b>Address</b>	The brokers' address.
<b>State</b>	The state in which the broker is located.
<b>Salutation</b>	The brokers' salutation.
<b>Ext</b>	The broker's phone extension, if applicable.
<b>City</b>	The city in which the broker is located.
<b>Zip</b>	The broker's zip code.

# Enter Data for Liquidation Options

## Enter HUD-1 Information

Like the HUD-1 settlement statement or Settlement/Closing Disclosure Statement, the HUD-1 screen enables you to provide a detailed estimate of the settlement costs associated with a Standard Short Sale and is also used when modeling a third-party foreclosure sale. Refer to Chapter 13 for information on how to complete this screen for third-party foreclosure sales. The HUD-1 screen is available only if you have entered a value in the Sales Price field on the Property screen.

You can access the HUD-1 screen by clicking **Next** on the Property screen (if you have entered a Sales Price on the Property screen) or by selecting **HUD-1** on the To Do List.

Workout Prospector's HUD-1 screen consists of two main sections:

- **Summary of Seller's Transactions** displays at a high level the net amount due to or from the seller.
- **Settlement Charges** displays the detailed settlement cost information supporting the overall net amount due to or from the seller.

### HUD1

[Expand All](#) | [Collapse All](#)

▼ **Summary of Seller's Transactions**

\* Buyer Name

\* Settlement Date 08/21/2014

▲ **400 Gross Amount Due to Seller**

▲ **500 Reductions in Amount Due to Seller**

▼ **600 Cash at Settlement to/from Seller**

601 Gross amount due seller (line 420) (\$):	<input type="text" value="100,000.00"/>
602 Less reductions in amount due seller (line 520) (\$):	<input type="text" value="0.00"/>
603 Cash To/From Seller (\$):	<input type="text" value="100,000.00"/>

▼ **Settlement Charges**

▲ **700 Total Sales Broker's Commission**

▲ **800 Items Payable in Connection with Loan**

▲ **900 Items Required by Lender to be Paid in Advance**

▲ **1000 Reserves Deposited with Lender**

▲ **1100 Title Charges**

▲ **1200 Government Recording and Transfer Charges**

▲ **1300 Additional Settlement Charges**

▼ **1400 Total Settlement Charges**

1400 Total Settlement Charges (\$):	<input type="text"/>
-------------------------------------	----------------------

The data you enter on the HUD-1 screen is used to assess the feasibility of pursuing the Standard Short Sale.

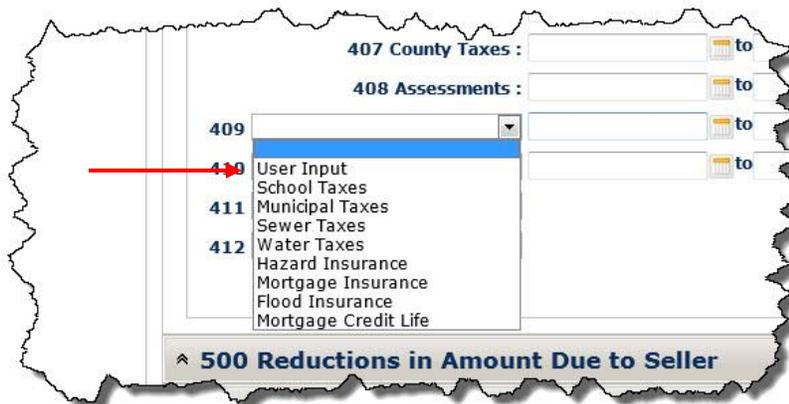
# Enter Data for Liquidation Options

## Using the Pick Lists on the HUD-1 Screen

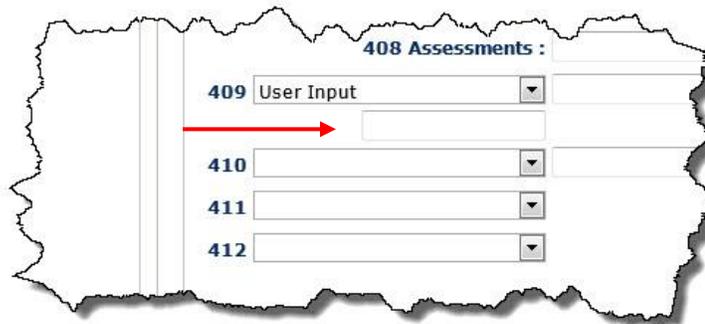
To ensure all data is represented accurately, pick list menus are provided for several line items on the HUD-1 screen. The selections available on each of the pick lists differ depending on the section of the HUD-1 screen.

You can also manually enter a description if the pick list selections do not accurately identify the data on the estimated seller's net proceeds sheet. To manually enter a description, perform the following steps:

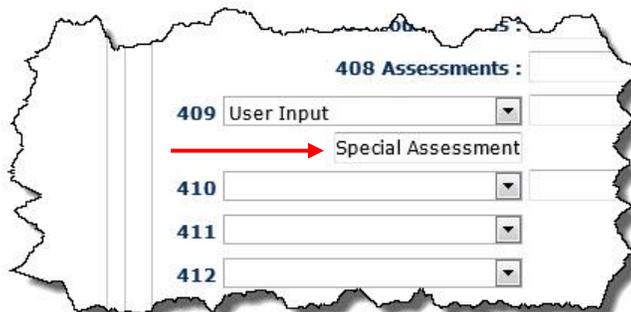
1. Select User Input from the pick list.



2. Enter a description for the item in the empty box below the pick list.



3. Click out of the field. The description you entered displays on the HUD-1.



# Enter Data for Liquidation Options

## How to Complete the HUD-1 Screen

Perform the following steps to complete both pages of the HUD-1 screen for Standard Short Sales.

1. Click the Seller's Transactions tab. The **Summary of Seller's Transactions** page displays. Note that the tabs for the 400, 500, and 600 series of line items also display.

The screenshot shows the HUD1 Summary of Seller's Transactions screen. The fields are as follows:

- Buyer Name: [Text Field]
- Settlement Date: 08/21/2014
- 401 Contract Sales Price (\$): 100,000.00
- 402 Personal Property (\$): [Text Field]
- 403 Borrower Cash Contribution to Collateral Loss (\$): [Text Field]
- 404 Borrower Cash Contribution to Closing Costs (\$): [Text Field]
- 405 Table Funded MI Contribution (\$): [Text Field]
- Adjustments for Items Paid by Seller in Advance:
  - 406 City/Town Taxes: [Text Field] to [Text Field] (\$)
  - 407 County Taxes: [Text Field] to [Text Field] (\$)
  - 408 Assessments: [Text Field] to [Text Field] (\$)
  - 409 [Dropdown] to [Text Field] (\$)
  - 410 [Dropdown] to [Text Field] (\$)
  - 411 [Dropdown] (\$)
  - 412 [Dropdown] (\$)
- 420 Gross Amount Due to Seller (\$): 100,000.00
- 500 Reductions in Amount Due to Seller
- 600 Cash at Settlement to/from Seller:
  - 601 Gross amount due seller (line 420) (\$): 100,000.00
  - 602 Less reductions in amount due seller (line 520) (\$): 0.00
  - 603 Cash To/From Seller (\$): 100,000.00

2. Enter the Buyer Name.
3. Verify the Settlement Date and update, if necessary. The settlement date automatically populates with a date 45 days from the current date, but may be updated.
4. Enter data in the following fields. You can use the scroll bar or the tabs to access each section.
  - Line 403: Borrower Cash Contribution to Collateral Loss (Do **not** enter borrower contributions on Line 404, Borrower Cash Contribution to Closing Costs.)
  - Line 505: Payoff of Second Mortgage Loan
  - Line 506: Borrower Relocation Incentive

Complete only the above three line items (if applicable) on this screen to ensure the approval letter populates correctly.

## Enter Data for Liquidation Options

Note that if you enter a value greater than zero on Line 506 (Borrower Relocation Incentive), and also enter a value greater than zero on Line 403 (Borrower Cash Contribution to Collateral Loss) the following message displays: *“Relocation assistance is being provided to a borrower that is contributing cash.”*

5. Expand the Settlement Charges section.

▼ **Settlement Charges**

▲ **700 Total Sales Broker's Commission**

▼ **800 Items Payable in Connection with Loan**

801 Loan Origination Fee (\$):

802 Loan Discount (\$):

803 Appraisal Fee (\$):

804 Credit Report (\$):

805 Lender's Inspection Fee (\$):

806 Mortgage Insurance Application Fee (\$):

807 Assumption Fee (\$):

808 Tax Service Contract (\$):

809 Funding Fee (FHA/VA) (\$):

810 Processing Fee (\$):

811 Misc. FHA/VA Fees (\$):

812  ▼ (\$)

813  ▼ (\$)

▲ **900 Items Required by Lender to be Paid in Advance**

▲ **1000 Reserves Deposited with Lender**

▲ **1100 Title Charges**

▲ **1200 Government Recording and Transfer Charges**

▲ **1300 Additional Settlement Charges**

▼ **1400 Total Settlement Charges**

1400 Total Settlement Charges (\$):

Back Next

Note that the sections for the 700 through 1400 series of line items also display.

6. If you are paying the buyer's closing costs, enter data in the following sections:
  - 800 series (Items Payable in Connection with the Loan)
  - 900 series (Items Required by the Lender to be Paid in Advance)
  - 1000 series (Reserves Deposited with Lender)

## Enter Data for Liquidation Options

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7. Enter data in the following sections.
  - 700 series (Total Sales Broker's Commission)  
(If the broker's commission is documented as a lump sum on the estimated sellers' net proceeds sheet, enter the full amount on line 701, Seller Agent.)
  - 1100 series (Title Charges)
  - 1200 series (Government Recording and Transfer Charges)
  - 1300 series (Additional Settlement Charges)
8. Click **Save** or **Next**.

# Enter Data for Liquidation Options

## Review Credit Enhancement Information

If the loan is credit enhanced, CE displays on the To Do List. The Credit Enhancement screen, shown below, displays information about each type of credit enhancement associated with the loan.

Access the CE screen by selecting **CE** on the To Do List.

### Credit Enhancement

Coverage Order: <input type="text" value="F"/> CE Type: <input type="text" value="MIPOOL"/> Coverage Termination Date: <input type="text" value="04/30/2017"/>	Recovery Order: <input type="text" value="1"/> Coverage Begin Date: <input type="text" value="06/30/2004"/> Account Balance(\$): <input type="text" value="98,938,595.28"/>
<input type="button" value="Run Calculation"/>	
Coverage Order: <input type="text"/> CE Type: <input type="text"/> Coverage Termination Date: <input type="text"/>	Recovery Order: <input type="text"/> Coverage Begin Date: <input type="text"/> Account Balance(\$): <input type="text"/>
<input type="button" value="Run Calculation"/>	
Coverage Order: <input type="text"/> CE Type: <input type="text"/> Coverage Termination Date: <input type="text"/>	Recovery Order: <input type="text"/> Coverage Begin Date: <input type="text"/> Account Balance(\$): <input type="text"/>
<input type="button" value="Run Calculation"/>	

## How to Use the Credit Enhancement Screen

Refer to the table below to determine what action you need take with this screen.

If the borrower is:	Then:
Retaining ownership of the property	This screen is for informational purposes only. No action is required.  Note: Loans subject to recourse and indemnification are not eligible for a HAMP modification, Standard Modification, or a Streamlined Modification.
Not retaining ownership of the property	Click the <b>Run Calculation</b> radio button.  Workout Prospector will execute the claim calculation and populate the MI Pool/CE Proceeds field on the Analyze screen. This value is used to determine if there is a credit loss.

## Enter Data for Liquidation Options

---

### After You Have Entered the Data for the Model

After you have entered all data for the liquidation option, you are ready to review the results of Workout Prospector's analysis and make any necessary adjustments. Refer to Chapter 7, *Analyze and Adjust Liquidation Options*.

# Analyze and Adjust Liquidation Options

## Introduction

After you have entered data for a liquidation option, you are ready to review the results of Workout Prospector's<sup>®</sup> analysis and make any adjustments, as needed.

## Objectives

After completing this chapter, you will be familiar with and have a general understanding of the following screens that you will use to analyze and adjust the model:

- Workout Summary
- Analyze screen
- The following override screens:
  - Primary Override
  - Repay Plan

**Note:** Repayment plans that exceed 12 months in duration are currently submitted via the liquidation path in Workout Prospector.

## The Workout Summary Screen

The Workout Summary screen helps you to analyze the liquidation model. This screen provides feedback on the costs and benefits of the various liquidation options and allows you to make adjustments before selecting a workout type and sending the model to us.

The Workout Summary screen consists of two main areas:

- Workout Model Control
- Summary Data

The screenshot shows the 'Workout Summary' interface. At the top, there are controls for 'Negotiated Path', 'Willingness?' (checkbox), and 'Workout Selected:' (dropdown menu set to 'Standard Short Sale'). Below this is a table with columns: Workout Type, Rating, Economic Savings Over REO, Projected Loss with Interest, Net Settlement Proceeds to MV, and Repayment Term. The table lists four options: 'Charge Off/Short Payoff' (Fail), 'Deed In Lieu' (Fail), 'Std Short Sale/Make Whole' (Optimal), and 'Repayment' (Fail). Each row has 'Override' and 'Warnings' buttons. A 'Back' button is at the bottom left. On the right, a 'Workout Model Status' panel shows 'Last Sent : 12/03/2014', 'WO Type : PF', and 'Status : AP'. A red box highlights the table and status panel, with a callout 'Summary Data' pointing to it. Another callout 'Workout Model Control' points to the top controls.

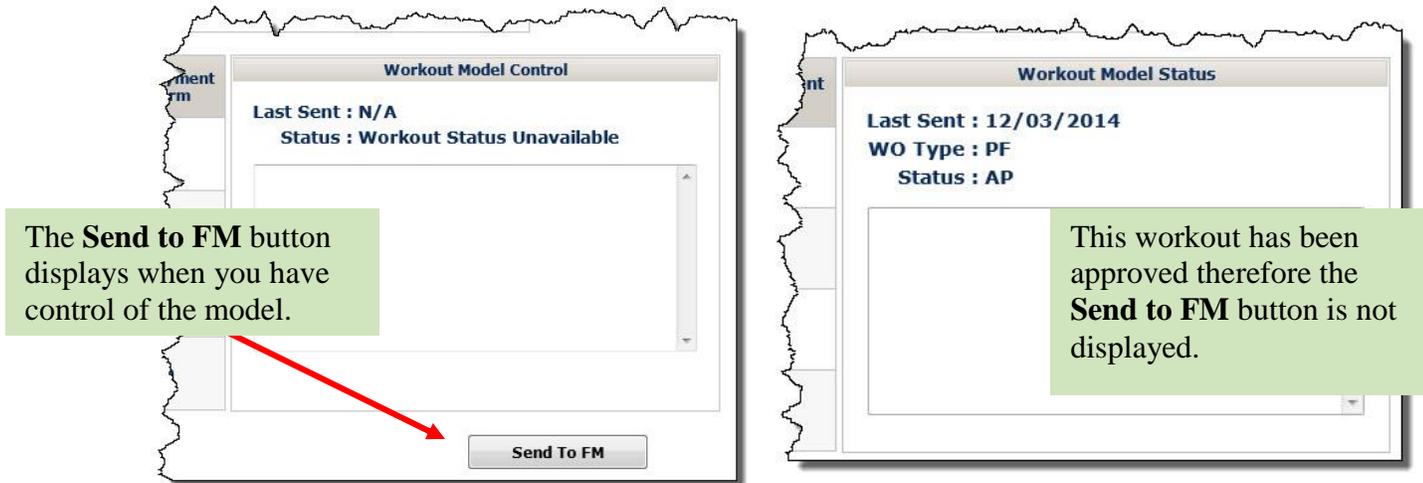
Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term
Charge Off/Short Payoff	Fail	\$-72,678.04	\$131,986.52	0.000%	
Deed In Lieu	Fail	\$1,000.79	\$59,859.16	89.793%	
Std Short Sale/Make Whole	Optimal	\$3,708.19	\$54,665.46	85.369%	
Repayment	Fail	\$0.00	\$0.00	0.000%	0

# Analyze and Adjust Liquidation Options

## The Workout Model Control Section

This section of the Workout Summary screen displays the following:

- Last Sent
- Status



Last Sent indicates the date on which you last gave control of the model to us, or we returned control to you. For an explanation of “control of the model” refer to Chapter 11, *Transmit Liquidation Options to Freddie Mac*.

The Status indicates what action we have taken, if any, on your recommended alternative to foreclosure. You can view the status, but cannot change it. The following table identifies each status and its meaning:

Status	Meaning	
Pending (PN)	We have not taken action on your recommended alternative to foreclosure. All models are pending while you are creating them. For the negotiated policy path, models that you send us remain pending until we take action on them, such as approval, rejection or closing.	
Approved (AP)	We have agreed to your recommended alternative to foreclosure.	
	<b>If your model follows:</b>	<b>Then:</b>
	The delegated policy path and you determine it is within the delegated parameters	It will automatically reflect your approval when you send it to us.
	The negotiated policy path	It won't be approved unless we have reviewed it and determined to expand your delegation of authority. In this case, we will change the status to "approved" for you.

## Analyze and Adjust Liquidation Options

Status	Meaning	
Closed (CL)	The alternative to foreclosure has been implemented.	
Cancelled (CN)	The borrower did not agree to the recommended foreclosure alternative.	
Rejected (RJ)	We disagree with your recommended foreclosure alternative.	
	If your model follows:	Then:
	The delegated policy path	We cannot reject it.
	The negotiated policy path	It won't be rejected unless we have reviewed it and determined not to expand your delegated authority. In this case, we will change the model's status to "rejected."

After you determine the alternative to foreclosure based on our Guide requirements, you can also use this area to send your model to us by clicking the **Send to FM** button. For additional information about transmitting the model to us, refer to Chapter 11, *Transmit Liquidation Options to Freddie Mac*.

### Summary Data

The top area of the Workout Summary section identifies

- Whether the alternative to foreclosure is currently following the negotiated or delegated path
- Whether the borrower wants to retain ownership of the property. If you checked the “Willingness” box on the Borrower Information screen, it will be checked on this screen. You cannot edit this field on the Workout Summary screen.
- The alternative to foreclosure you have currently selected. For additional information, see “Selecting a Workout” in this chapter.

The screenshot shows a section of the software interface with a torn paper effect at the bottom. It contains three elements: the text "Negotiated Path" in blue, the text "Willingness?" followed by an unchecked checkbox, and the text "Workout Selected:" followed by a dropdown menu currently displaying "Standard Short Sale".

# Analyze and Adjust Liquidation Options

## The Summary Data

The remaining area in this section of the screen:

- Provides a “bottom line” look at each workout type
- Allows you to test various adjustments to the model using the various override screens to see how the changes impact our recommended alternative to foreclosure
- Enables you to view the warnings associated with each alternative to foreclosure based on the data entered in the model

Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term
<b>Charge Off/Short Payoff</b> Override Warnings	Fail	\$-146,808.53	\$57,206.72	0.000%	
<b>Deed In Lieu</b> Override Warnings	Fail	\$4,711.47	\$-93,579.14	80.938%	
<b>Std Short Sale/Make Whole</b> Override Warnings	Optimal	\$32,127.62	\$-121,482.48	89.834%	
<b>Repayment</b> Repay Plan Warnings	Fail	\$0.00	\$0.00	0.000%	0

Back

The Override button provides access to the applicable Override screen.

The Warnings button provides access to the Comments and Warnings screen.

## Analyze and Adjust Liquidation Options

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### Selecting a Workout

Before you transmit the liquidation option to us, you will select a workout type. The following table identifies the various ratings Workout Prospector will assign a workout type based on its analysis:

If the Workout Type is Rated As	Then You
<b>Optimal</b>	Can select it and send the model to us. These models do not require Freddie Mac approval.
<b>Pass</b>	Can select it and send the model to us. We may approve a request for an exception to your delegated authority or ask for further information to support your recommendation.
<b>Fail</b>	Can select it and send the model to us. Generally, we will not approve any request to an exception to your delegated authority unless you have given us enough information to support your recommendation.
<b>Not Evaluated</b>	Cannot select it because Workout Prospector does not have enough data to run its calculations.

### How to Use the Workout Summary Screen

Perform the following steps to use this screen:

1. From the To Do List, select **Workout Summary**.
2. Review the information in the Summary Data section.
3. Click **Overrides** to access the override screens, as needed, to make any adjustments.
4. Click **Warnings** to access the Warnings and Comments screen. Address any warning messages and document comments to substantiate your recommendation. Refer to Chapter 8, *View Warnings and Document Comments for Liquidation Options*, and Appendix A, *Warning Messages*, for additional information.
5. When you are ready to send us the liquidation option, use this screen to transmit the model to us. For additional information, refer to Chapter 11, *Transmit Liquidation Options to Freddie Mac*.

# Analyze and Adjust Liquidation Options

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## The Analyze Screen

The Analyze screen uses the data you entered in combination with historical state averages for expenses to provide a bottom line financial comparison of the following scenarios:

- REO
- Freddie Mac Standard Short Sale
- Freddie Mac Standard Deed-in-Lieu of Foreclosure
- Charge-off

The Analyze screen consists of three main sections:

- Income
- Expenses
- Calculated Results

Use the Analyze screen to ensure that you are approving an appropriate alternative to foreclosure or when requesting an exception to your delegated authority.

# Analyze and Adjust Liquidation Options

## Parts of the Analyze Screen

Following is an example of the Analyze screen.

<b>Analyze</b>				
Loan Number : 123456789		Expand All   Collapse All		
State : MS				
UPB : \$52,606.51				
<b>Income Categories</b>				
	REO	STD SHORT SALE	DEED-IN-LIEU	CHARGEOFF
Gross Sales Price	\$200,000	\$197,000	\$200,000	\$0
- projected depreciation	\$22,507	\$0	\$22,507	\$0
Projected Gross Sales Price	\$177,493	\$197,000	\$177,493	\$0
Escrow Balance	\$327	\$327	\$327	\$0
Primary MI Proceeds	\$0	\$0	\$0	\$0
Cash Contribution/Collateral Loss	\$0	\$0	\$0	\$0
Cash Contribution Twds Closing	\$0	\$0	\$0	\$0
Note Contribution (weighted)				
Hazard Insurance Proceeds	\$0	\$0	\$0	\$0
Miscellaneous Income	\$0	\$0	\$0	\$0
<b>TOTAL INCOME</b>	<b>\$177,820</b>	<b>\$197,327</b>	<b>\$177,820</b>	<b>\$327</b>
MI Pool/CE Proceeds	\$0	\$0	\$0	\$0
<b>Expense Categories</b>				
	REO	STD SHORT SALE	DEED-IN-LIEU	CHARGEOFF
Liens (Junior and Senior)	\$0	\$0	\$0	\$0
Taxes	\$2,394	\$880	\$1,799	\$753
Insurance	\$6,286	\$2,311	\$4,722	\$1,978
Maintenance/Upkeep	\$2,166	\$0	\$1,985	\$0
Sales Commission	\$10,064	\$11,170	\$10,064	\$0
Other Selling Expenses	\$5,552	\$6,162	\$5,552	\$0
BPO/Appraisal	\$210	\$150	\$210	\$0
Foreclosure Atty Fees/Costs	\$709	\$0	\$0	\$0
Bankruptcy Atty Fees/Costs	\$265	\$0	\$0	\$0
Eviction Atty Fees	\$146	\$0	\$146	\$0
Eviction Atty Costs	\$290	\$0	\$290	\$0
Miscellaneous Expenses	\$3,166	\$0	\$3,166	\$0
REO G & A Expenses	\$990	\$0	\$990	\$0
<b>TOTAL EXPENSES</b>	<b>\$32,237</b>	<b>\$20,673</b>	<b>\$28,923</b>	<b>\$2,731</b>
<b>Calculated Results</b>				
	REO	STD SHORT SALE	DEED-IN-LIEU	CHARGEOFF
ESTIMATED TOTAL DEBT	\$72,418	\$58,648	\$64,612	\$57,650
ECONOMIC PROCEEDS	\$145,583	\$176,654	\$148,897	(\$2,404)
CARRY COSTS	(\$1,179)	(\$122)	\$219	\$0
ECONOMIC/NET PRESENT VALUE	\$144,405	\$176,532	\$149,116	(\$2,404)
Estimated TDR Loss (for mods)				
ECONOMIC SAVINGS/REO	\$0	\$32,128	\$4,711	\$0
ACCT. SAVINGS OVER REO	\$0	(\$32,953)	(\$5,050)	\$0
MI POOL / CE SAVINGS	\$0	\$0	\$0	\$0
Proj. Crdt Loss w/o Int.	(\$92,977)	(\$124,048)	(\$96,290)	\$0
Proj. Crdt Loss with Int.	(\$88,530)	(\$121,482)	(\$93,579)	\$0
MI Pool/CE Proceeds	\$0	\$0	\$0	\$0
Proj. Crdt Loss with Interest(net of MI Pool/CE Proceeds)	(\$88,530)	(\$121,482)	(\$93,579)	\$57,207
TOTAL DAYS IN PROCESS	718	264	540	226
% RECOVERY				
net settlement proceeds to MV	81%	90%	81%	0%
discounted value to MV	72%	88%	75%	-1%
Actual Taxes/Escrow Disbursed	\$0	\$0	\$0	\$0
Settlement Net Proceeds	\$161,877	\$179,667.72	\$161,877	\$0
Settlement Total Proceeds	\$161,877	\$179,668	\$161,877	\$0

Income

Expenses

Calculated Results

## Analyze and Adjust Liquidation Options

### ***Income***

The following table identifies the categories and their sources in the Income section of the Analyze screen:

Income Category	Source
Gross Sales Price	<p>The conclusion value designated on the Property screen, unless you completed the Override screen. If you entered a gross sales price on the Override screen, the value entered on the Override screen displays.</p> <p>If you completed the HUD-1 screen, the gross sales price entered on the HUD-1 screen displays for the Standard Short Sale scenario only. All other scenarios display the conclusion value or value entered on the Override screen.</p>
Projected Depreciation	The projected depreciation based on REO data. Workout Prospector will calculate and automatically populate this field.
Projected Gross Sales Price	The Gross Sales Price minus the Projected Depreciation.
Escrow Balance	<p>An estimated escrow balance based on the state average.</p> <p>Note: This is not the current escrow balance entered on the Loan Information screen.</p>
Primary MI Proceeds	The primary MI proceeds amount based on the total debt and the MI coverage percent. Workout Prospector will calculate and automatically populate this field.
Cash Contribution/ Collateral Loss	<p>The Cash Contribution/Collateral Loss value entered on the Override screen.</p> <p>If you completed the HUD-1 screen, the Cash Contribution/Collateral Loss value entered on the HUD-1 screen displays for the Standard Short Sale scenario only.</p>
Cash Contribution Towards Closing	Do not enter borrower contributions in this field. Enter all borrower contributions in the Cash Contribution/Collateral Loss field.

## Analyze and Adjust Liquidation Options

Income Category	Source
Note Contribution (weighted)	<p>The value displayed reflects a percentage of the full note contribution entered on the Override screen.</p> <p>Secured and unsecured note contributions are weighted based on the probability of receiving full payment of the note:</p> <ul style="list-style-type: none"> <li>▪ Secured note contributions equal 75 percent of the value displayed on the Override screen.</li> <li>▪ Unsecured note contributions equal 50 percent of the value displayed on the Override screen.</li> </ul>
Hazard Insurance Proceeds	The Hazard Insurance Proceeds value entered on the Override screen.
Miscellaneous Income	The Miscellaneous Income value entered on the Override screen.

### Expenses

The following table identifies the categories and their sources in the Expense section of the Analyze screen:

Expense Category	Source
Liens (Junior and Senior)	<p>The Junior Lien and Senior Lien values entered on the Override screen.</p> <p>If you completed the HUD-1 screen, the values entered for liens display in the Standard Short Sale column only.</p>
Taxes	The monthly tax amount based on the value entered on the Current PITI screen.
Sales Commission	<p>Sales commission calculates based on the gross sales price or conclusion value and six percent broker fee.</p> <p>If you completed the HUD-1 screen, the value entered for Sales Commission displays in the Standard Short Sale column only.</p> <p>If you changed the sales commission on the Override screen, the value entered on the Override screen displays.</p>

## Analyze and Adjust Liquidation Options

Expense Category	Source
Other Selling Expenses	<p>Other Selling Expenses calculate based on the gross sales price and a two percent expense factor unless you completed the Override screen.</p> <p>If you completed the HUD-1 screen, the values entered on lines 801 through 1306 are totaled and display in the Standard Short Sale column only.</p> <p>If you changed Other Selling Expenses on the Override screen, the value entered on the Override screen displays.</p>

The remaining categories in the Expense section calculate based on historical averages for the state in which the property is located.

### Calculated Results

The remaining information on the Analyze screen automatically calculates and displays with the exception of Actual Taxes/Escrow Disbursed at Closing. The value for Actual Taxes/Escrow Disbursed at Closing defaults to zero, but can be entered on the HUD-1 screen.

### The Override Screens

Workout Prospector provides the following override screens that allow you to change certain values that affect the bottom-line comparison of the various alternatives to foreclosure:

- Primary Override
- Repay Plan

Access the override screens from the Workout Summary screen:

When you click the Override button for:	The following override screen displays:
<ul style="list-style-type: none"> <li>▪ Standard Short Sale</li> <li>▪ Standard Deed-in-Lieu of Foreclosure</li> <li>▪ Charge-off</li> <li>▪ Third-Party Foreclosure Sale</li> </ul>	<p>Primary Override</p> <p>Refer to Chapter 13, <i>Model, Approve, and Settle Third-Party Foreclosure Sales</i>, for information on modeling third-party foreclosure sales.</p>
Repayment Plan	Repay Plan

# Analyze and Adjust Liquidation Options

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## The Primary Override Screen

The primary Override screen consists of the following two sections:

- Income
- Expense

Use the Override screen to:

- Change the settlement date.
- Change selected income and expense values.
- Change the value for Actual Taxes Disbursed at Closing.
- Enter initial values for:
  - Note Contribution - Unsecured  
(Enter all promissory notes in this field. Do **not** enter promissory notes in the Note Contribution - Secured field.)
  - Hazard Insurance Proceeds

Perform overrides only when you have documentation to support the change you are making.

## ***The Primary Override Screen vs. the HUD-1 Screen***

The HUD-1 screen and the primary Override screen contain some identical data elements that flow to the Standard Short Sale column on the Analyze screen.

The HUD-1 values always take precedence over the values entered on the Override screen. If you completed the HUD-1 screen, the HUD-1 data flows to the corresponding income and expense categories in the Standard Short Sale column on the Analyze screen and Override screen. **For Standard Short Sales, you should only use the Override screen to enter promissory notes.**

If you need to override any of the following data elements displayed in the Standard Short Sale column, and you completed the HUD-1 screen, you must go to the HUD-1 screen and change the data, as the fields will not be available for override on the Override screen:

- Gross Sales Price
- Cash Contribution/Collateral Loss (Only if you entered a Cash Contribution/Collateral Loss value on the HUD-1 screen.)
- Liens (junior and senior)
- Sales Commission
- Other Selling Expenses
- Actual Taxes/Escrow Disbursed at Closing

# Analyze and Adjust Liquidation Options

## Parts of the Override Screen

The Derived column corresponds directly to the income and expense values on the Analyze screen for a selected column prior to performing overrides.

**Override Screen**

Output Column: Std Short Sale/Make Whole Expand All | Collapse All

**Income Categories**

	Derived	Override	Results
Settlement Date	08/22/2014		08/22/2014
Gross Sales Price (\$):	200,000.00		197,000.00
Net Sales Price (\$):	0.00		
Net Proceeds (\$):	197,000.00		197,000.00
Net Proceeds After Fees (\$):	327.30		327.30
Net Proceeds After Fees and Expenses (\$):	0.00		
Cash Contrib. for Collateral Loss (\$):	0.00		0.00
Cash Contrib. towards Closing (\$):	0.00		0.00
Note Contribution - Secured (\$):	0.00		
Note Contribution - Unsecured (\$):	0.00		
Hazard Insurance Proceeds (\$):	0.00		
Miscellaneous Income (\$):	0.00		
MI/CE Proceeds (\$):	0.00		0.00
<b>TOTAL INCOME (\$):</b>			197,327.30

**Expense Categories**

	Derived	Override	Results
Liens (\$):	0.00		0.00
Taxes (\$):	880.00		880.00
Insurance (\$):	2,310.59		2,310.59
Maintenance/Upkeep (\$):	0.00		0.00
Sales Commission (\$):	11,170.43		11,170.43
Other Selling Expenses (\$):	6,161.84		6,161.84
BPO/Appraisal (\$):	150.00		150.00
Foreclosure Atty Fees&Costs (\$):	0.00		0.00
Bankruptcy Atty Fees&Costs (\$):	0.00		0.00
Eviction Attorney Fees (\$):	0.00		0.00
Eviction Costs (\$):	0.00		0.00
Miscellaneous Expenses (\$):	0.00		0.00
<b>TOTAL EXPENSES (\$):</b>			20,672.86
Actual Taxes/Escrow to be Disbursed at Closing (\$):			0.00

The Output column corresponds to the columns on the Analyze screen.

The Results column displays the final values based on any overrides you performed.

Enter your override values in the Override column as necessary.

Click **Back** to return to the Workout Summary screen.

## Analyze and Adjust Liquidation Options

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### ***What Data Can be Overridden?***

The following table outlines the data elements you can override for each output column on the Analyze screen.

If you completed the HUD-1 screen, and you want to adjust data in the Standard Short Sale column, use the HUD-1 screen to override data elements marked with an asterisk (\*).

<b>Data Element</b>	<b>REO</b>	<b>Charge-off</b>	<b>Standard Deed-in-Lieu of Foreclosure</b>	<b>Standard Short Sale</b>
*Gross Sales Price		X	X	X
Primary MI Proceeds		X	X	X
*Cash Contribution/ Collateral Loss		X	X	X
Note Contribution – Unsecured		X	X	X
Hazard Insurance Proceeds	X	X	X	X
Miscellaneous Income	X	X	X	X
*Liens (Junior and Senior)	X	X	X	X
Miscellaneous Expenses	X	X	X	X
*Sales Commission				X
*Other Selling Expenses				X
*Actual Taxes/Escrow Disbursed at Closing				X

# Analyze and Adjust Liquidation Options

## How to Override Data

Perform the following steps to override data:

1. Refer to the following:

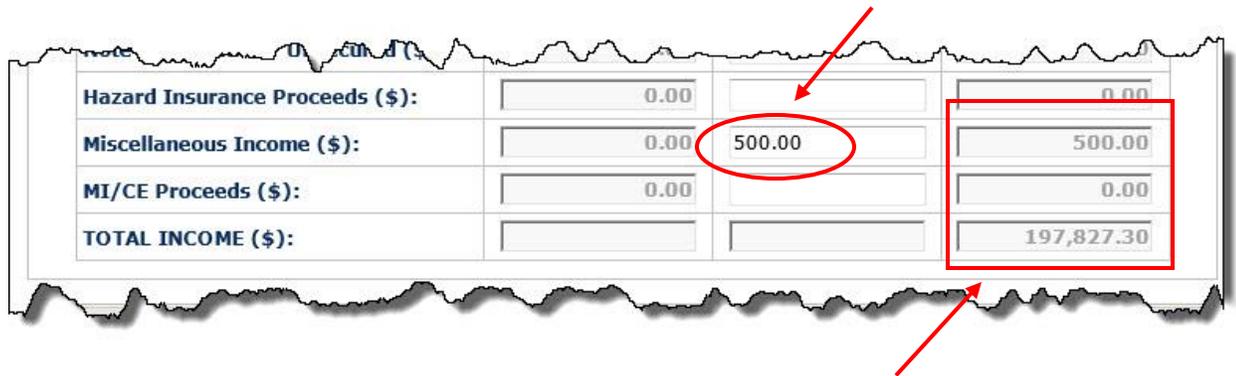
If	Then
You completed the HUD-1 screen and you want to override any of the following data elements for a Standard Short Sale: <ul style="list-style-type: none"> <li>▪ Gross Sales Price</li> <li>▪ Cash Contribution/Collateral Loss (Only if you entered a Cash Contribution/Collateral Loss value on the HUD-1 screen.)</li> <li>▪ Liens (junior and senior)</li> <li>▪ Sales Commission</li> <li>▪ Other Selling Expenses</li> <li>▪ Actual Taxes/Escrow Disbursed at Closing</li> </ul>	Access the HUD-1 screen to change the data.
You completed the HUD-1 screen and you want to override data elements other than those listed above	Proceed to step 2.
You did not complete the HUD-1 screen	Proceed to step 2.

2. From the Override screen, select the output column that contains the data you want to override.



## Analyze and Adjust Liquidation Options

3. Enter the override value for the appropriate data element in the Override column.



The screenshot shows a table with four rows and three columns. The first column contains labels for different income categories. The second and third columns contain numerical values, and the fourth column contains a total value. Red annotations highlight specific parts of the table: a red circle around the '500.00' value in the 'Miscellaneous Income' row, a red arrow pointing to the 'Override' column header, and a red box around the 'TOTAL INCOME' row.

Hazard Insurance Proceeds (\$):	0.00		0.00
Miscellaneous Income (\$):	0.00	500.00	500.00
MI/CE Proceeds (\$):	0.00		0.00
<b>TOTAL INCOME (\$):</b>			<b>197,827.30</b>

Note that when you click out of the field, the Results column displays the value you entered and the total for that section of the Override screen recalculates.

4. To ensure a consistent analysis, override the same data element in each of the remaining output columns if:
  - The data element is available for override in the remaining output columns, and
  - The same conditions apply for the other output columns.

## The Repay Plan Screen

Repayment plans that exceed 12 months in duration are currently submitted via the Repay Plan screen, shown below.



The screenshot shows the 'Repay Plan' screen. It features a 'Save' button in the top right corner and a 'Back' button in the bottom left corner. The main content area contains several input fields with labels and values:

- \* Repayment Begin Date: [ ]
- Total Arrears (\$): [ ]
- Total Contribution (\$): 0.00
- Current PITIAS (\$): 420.00
- \* Number of Months to Repay Arrearage: 0
- New Payment (including Arrearage Payment) (\$): [ ]
- \* Repayment End Date: [ ]

## Analyze and Adjust Liquidation Options

---

### ***How to Complete the Repay Plan Screen***

Perform the following steps to complete the Repay Plan screen:

1. Enter data in each field on the screen, with the exception of Current PITIAS. This value automatically populates with the value displayed on the Loan screen.
2. Click **Save**.

### **After You Have Analyzed and Adjusted the Model, As Necessary**

After you have reviewed, and made any necessary adjustments to the model, ensure that you have thoroughly documented your recommendation on the Warnings and Comments screen. Refer to Chapter 8, *View Warnings and Document Comments for Liquidation Options*, for additional information.

# View Warnings and Document Comments for Liquidation Options

## Chapter 8

### Introduction

Before you send your model to us, you must review and address all warning messages and ensure that you have provided appropriate comments to support your decision to offer a borrower a particular liquidation option.

### Objectives

After completing this chapter, you will:

- Be familiar with the Warnings and Comments screen, which is available for liquidation options only (workouts other than modifications)
- Be able to document comments for liquidations

### The Warnings and Comments Screen

To view warnings and document comments for liquidations, access the Warnings and Comments screen. The screen consists of several sections, as shown below. Click **Warnings and Comments** on the To Do List to display the screen.

The screenshot shows a web interface titled "Warnings and Comments". At the top right is a "Save" button. Below the title are links for "Expand All" and "Collapse All". A section titled "Warnings" is expanded, displaying the message: "Congratulations, there are no warnings report." Below this are five collapsed sections: "Recommendation", "Substantiation", "Other", "Property", and "Involuntary Inability to Pay". A "Back" button is located at the bottom left.

In this example, there are no warnings for the liquidation option. Refer to Appendix A for a complete list of warning messages.

# View Warnings and Document Comments for Liquidations

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## How to Document Comments

To document your comments for liquidation options, expand the remaining sections of the screen and enter your comments. In the example below, the Recommendation section of the screen is expanded.

The screenshot displays a web interface titled "Warnings and Comments". In the top right corner, there is a "Save" button. Below the title, there are two links: "Expand All" and "Collapse All". The interface is divided into four sections, each with a header and a text area:

- Warnings**: The header is expanded (indicated by a downward arrow). The text area contains the message: "Congratulations, there are no warnings report."
- Recommendation**: The header is expanded (indicated by a downward arrow). The text area is empty.
- Substantiation**: The header is collapsed (indicated by an upward arrow).
- Other**: The header is collapsed (indicated by an upward arrow).

The bottom edge of the screenshot has a decorative, torn-paper effect.

## View Warnings and Document Comments for Liquidations

The following outlines the information, as applicable, that you should document in each section of the screen.

Include information on the following:	
<b>Recommendation</b>	<p>Explain the general terms of your proposed foreclosure alternative. Include additional information as necessary on the following:</p> <ul style="list-style-type: none"> <li>▪ Sales price versus offer (for Standard Short Sales)</li> <li>▪ Workout type</li> <li>▪ Borrower contributions</li> <li>▪ MI contributions</li> </ul>
<b>Substantiation</b>	Explain in detail why we should approve the recommendation.
<b>Other</b>	Document any information relevant to your recommended foreclosure alternative that does not belong in any of the other four categories for comments.
<b>Property</b>	<p>Document the general condition of the property.</p> <p>Describe any adverse conditions that affect the property, such as</p> <ul style="list-style-type: none"> <li>▪ Hazardous waste</li> <li>▪ Asbestos</li> <li>▪ Structural damage</li> <li>▪ Drywall contamination</li> <li>▪ Other environmental problems</li> </ul> <p>If the property is affected from an adverse condition, ensure that you also include the following:</p> <ul style="list-style-type: none"> <li>▪ Whether you have been able to achieve quality right-party contact</li> <li>▪ Information regarding the availability of insurance funds. If funds are available, indicate who has access to them.</li> </ul>
<b>Inability to Pay</b>	<p>Document the reason for default.</p> <ul style="list-style-type: none"> <li>▪ Explain why the borrower is unable to continue paying the regular monthly mortgage payment.</li> <li>▪ Identify specific documentation you have which validates the borrower's eligible hardship.</li> </ul>

## **View Warnings and Document Comments for Liquidations**

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# Access the Business Plan for Liquidation Options

## Introduction

The Business Plan displays on the To Do List when a workout, other than a modification, is in progress or has been approved.

## Objectives

After completing this chapter, you will:

- Be familiar with the various parts of the Business Plan for each liquidation option
- Be able to view and save the Business Plan for liquidation options

## The Business Plan

The Business Plan summarizes the data you entered into Workout Prospector® for a liquidation option.

The purpose of the Business Plan is to:

- Provide standardized documentation for the liquidation option
- Provide an audit trail for your decision or request for exception

The Business Plan consists of one or more parts depending on the alternative to foreclosure you select:

For:	The Business Plan consists of the following:
<b>Charge-offs</b>	<ul style="list-style-type: none"> <li>▪ Cover Page</li> <li>▪ Comments and Warnings Page</li> </ul>
<b>Deeds-in-Lieu of Foreclosure</b>	
<b>Repayment Plans</b> (Note: Repayment plans that exceed 12 months in duration are currently submitted via the liquidation path in Workout Prospector.)	
<b>Standard Short Sales</b>	<ul style="list-style-type: none"> <li>▪ Cover Page</li> <li>▪ Comments Page</li> <li>▪ Summary Page</li> <li>▪ Business Plan</li> </ul>

# Access the Business Plan for Liquidation Options

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## Parts of the Business Plan Available for Selection

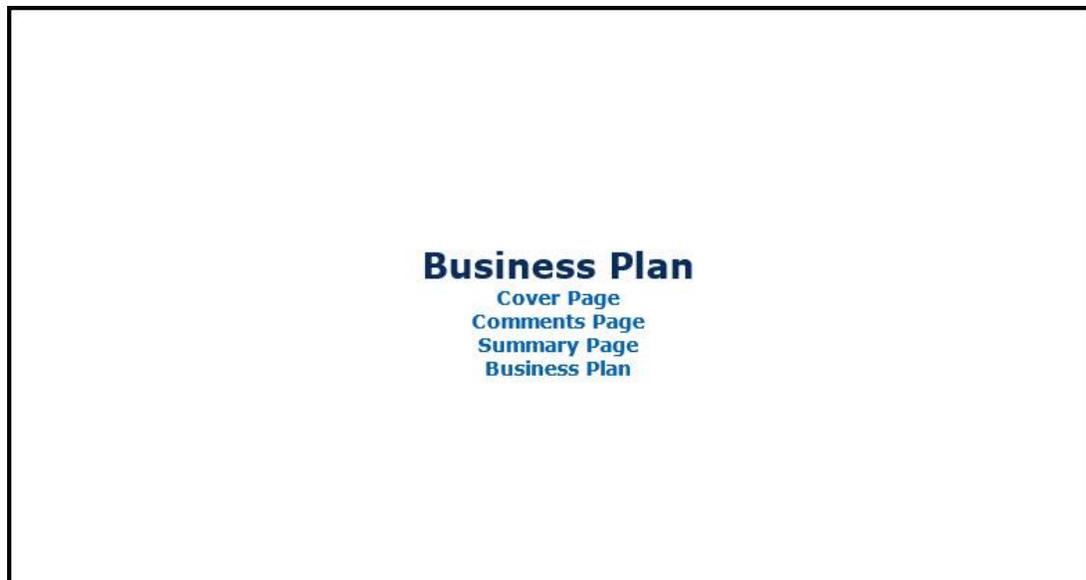
The following table provides a brief description of each part of the Business Plan.

Parts of the Business Plan	
<b>Cover Page</b>	The Cover Page generates for all liquidation options and provides an overview of loan, borrower, and property information.
<b>Comments Page</b>	The Comments Page generates for all liquidation options. All warning messages generated for the recommendation display in Part B: Exceptions to Policy. All comments entered on the Comments and Warnings screen display in Part C: Comments.
<b>Summary Page</b>	The Summary Page generates for Short Sales and provides information about the offer and recovery.
<b>Business Plan</b>	This selection provides the Cover Page, Comments Page, and Summary Page in one document. This selection displays for Short Sales only.

## How to View and Save the Business Plan

Perform the following steps to view and print the Business Plan:

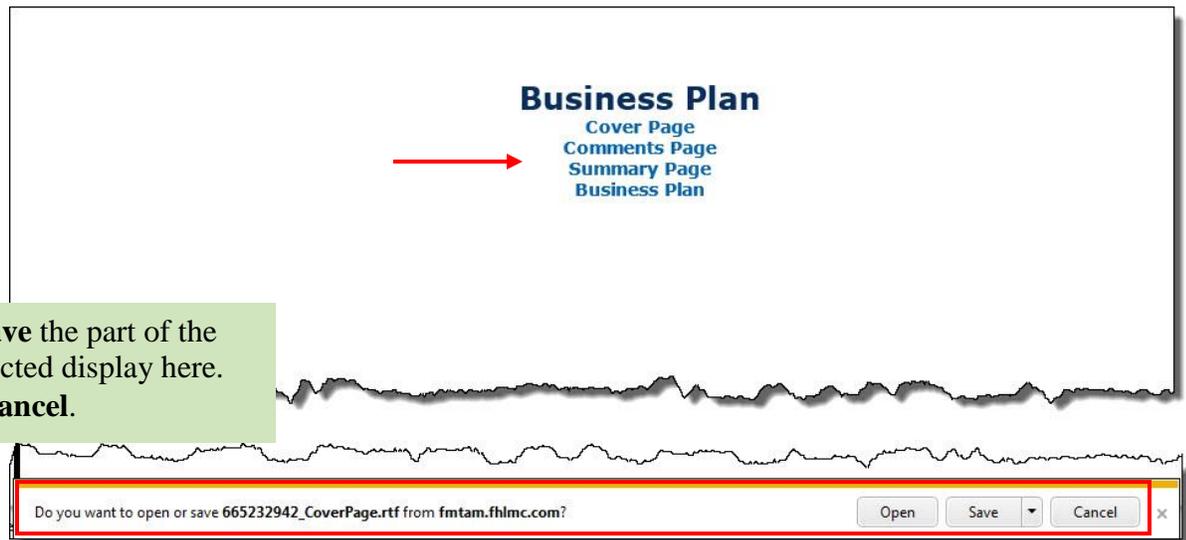
1. From the To Do List, select **Business Plan**. The following screen displays:



The links that display depend on the type of alternative to foreclosure you selected. In this example, we have accessed the Business Plan screen for a Standard Short Sale.

## Access the Business Plan for Liquidation Options

2. Click any link to view that part of the Business Plan.



Options to **Open** or **Save** the part of the Business Plan you selected display here. You may also select **Cancel**.

If you	Then
Want to view the selected part of the Business Plan	<p>Click <b>Open</b>.</p> <p>The document will open in separate window, using your word processor.</p> <p>You may then preview, print, or save the document.</p>
Want to save the selected part of the Business Plan without viewing it first	<p>Click <b>Save</b>. Follow the prompts that display to save the file.</p>
Do not want to view or save the selected part of the Business Plan.	<p>Click <b>Cancel</b>.</p>

## **Access the Business Plan for Liquidation Options**

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# Access Letters for Liquidation Options

## Chapter 10

### Introduction

The Letters screen is available on the To Do List when a workout other than a modification is in progress or has been approved, or rejected. Although the link is available on the To Do List, the actual letters and attachments, if applicable, are not generated until the Workout Selected pick list on the Workout Summary screen is populated and the model is saved.

### Objectives

After completing this chapter, you will:

- Be familiar with the Letters screen
- Be able to view and print letters

### The Letters Screen

After your decision is made regarding your alternative to foreclosure, the Letters screen displays links to the appropriate letters (with attachments, if applicable). With the exception of alternatives to foreclosure that are delegated to you to approve, the letters provide written confirmation of our decision on your recommended alternative to foreclosure. **You may not send the letters to borrowers and other parties to the alternative to foreclosure. You may not rely on the letters as evidence of your compliance with any requirement of the Guide or other Purchase Document.** You should draft your own letters to communicate with borrowers and third parties.

For more information on communicating decisions to borrowers, review *Single-Family Seller/Service Guide* (Guide) Section 9201.5 and Guide Exhibit 93, *Evaluation Model Clauses*.

# Access Letters for Liquidation Options

## How to Use the Letters Screen

Perform the following steps to access and use the Letters screen:

1. From the To Do List, select **Letters**. The Letters screen, shown below, displays:

**Letters**

Decision:  Accept  Reject

Letter Types:

- Short Payoff Approval
- Short Payoff Approval - Payoff Letter
- Short Payoff Attachment
- Short Payoff Instructions
- Promissory Note

Conditions:

Save

This section displays the type of letter and any applicable attachments based on the type of workout.

In this example, we have accessed the Letters screen for an approved short sale.

If you have not approved a workout, the following Letters screen displays:

**Letters**

Decision:  Accept  Reject

Letter Types:

- Short Payoff Rejection

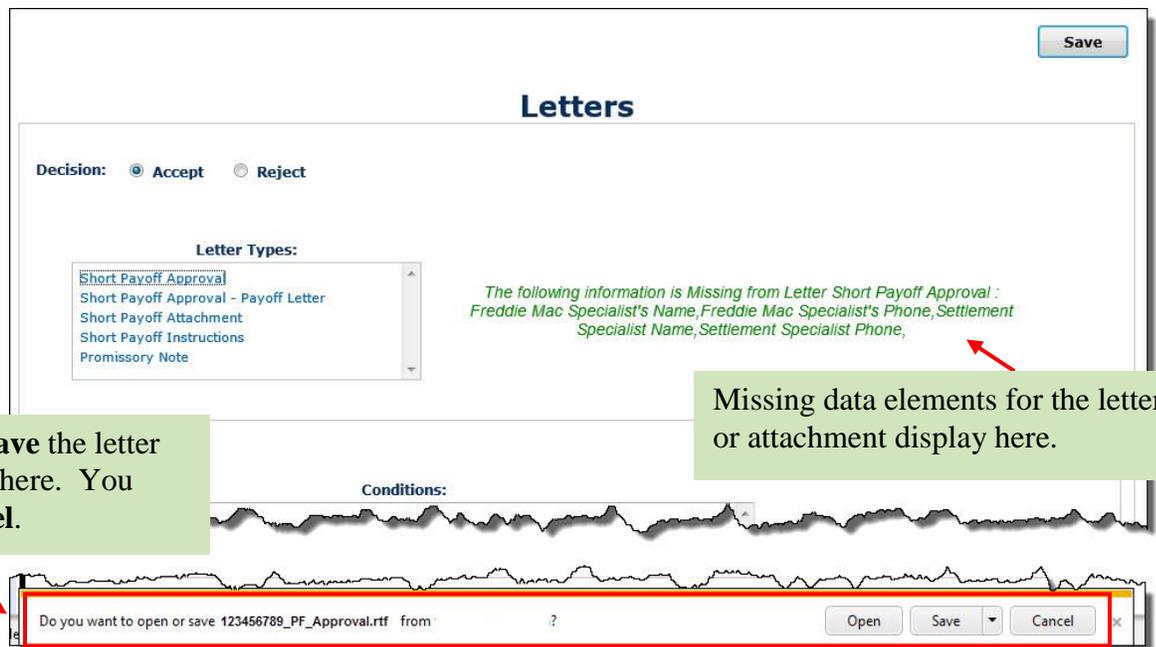
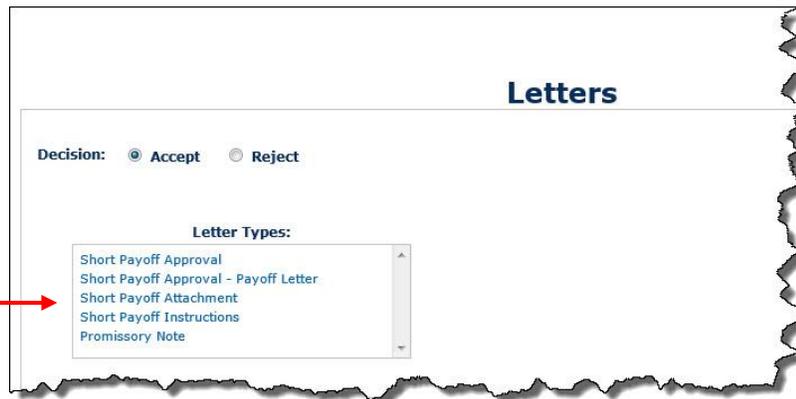
Rejection Reasons:

Recommended Actions:

Save

# Access Letters for Liquidation Options

2. Click the item you want to view.



If you want to	Then
View the document, even though all data has not been provided	Click <b>Open</b> . The document will open in separate window, using your word processor. You may then preview, print, or save the document.
Want to save the selected document without viewing it first	Click <b>Save</b> . Follow the prompts that display to save the file.
Enter the missing information	Click <b>Cancel</b> . Access the screens that contain the missing data and enter the information.

## Access Letters for Liquidation Options

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# Transmit Liquidation Options to Freddie Mac

## Introduction

After you have addressed all warning messages, analyzed, and thoroughly documented your recommendation, you are ready to transmit the liquidation option to us.

## Objectives

After completing this chapter, you will be able to transmit your Workout Prospector® model for liquidation options to Freddie Mac.

Refer to Chapter 13, *Model, Approve, and Settle Third-Party Foreclosure Sales*, for information on how to transmit third-party foreclosure sales.

## Transmitting the Liquidation Option to Freddie Mac

You will use the Workout Summary screen to transmit all liquidation options to Freddie Mac.

Before you transmit, ensure that you have reviewed and addressed all warning messages, documented your recommendation thoroughly by providing detailed comments, and performed any overrides that were necessary. For information on performing overrides, refer to Chapter 7, *Analyze and Adjust Liquidation Options*. For information on documenting comments and addressing warning messages, refer to Chapter 8, *View Warnings and Document Comments for Liquidation Options*.

### Workout Summary

Negotiated Path      Willingness?       Workout Selected: Standard Short Sale

Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term
Charge Off/Short Payoff <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Fail	\$-146,808.53	\$57,206.72	0.000%	
Deed In Lieu <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Fail	\$4,711.47	\$-93,579.14	80.938%	
Std Short Sale/Make Whole <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Optimal	\$32,127.62	\$-121,482.48	89.834%	
Repayment <input type="button" value="Repay Plan"/> <input type="button" value="Warnings"/>	Fail	\$0.00	\$0.00	0.000%	0

**Workout Model Control**

Last Sent : N/A

Status : Workout Status Unavailable

# Transmit Liquidation Options to Freddie Mac

## How to Transmit a Liquidation Option to Freddie Mac

After logging in to Workout Prospector, perform the following steps to transmit a liquidation option to Freddie Mac:

1. Click **Workout Summary** on the To Do List. The Workout Summary screen displays.

Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term
Charge Off/Short Payoff	Fail	\$-146,808.53	\$57,206.72	0.000%	
Deed In Lieu	Fail	\$4,711.47	\$-93,579.14	80.938%	
Std Short Sale/Make Whole	Optimal	\$32,127.62	\$-121,482.48	89.834%	
Repayment	Fail	\$0.00	\$0.00	0.000%	0

2. Select the appropriate alternative to foreclosure from the Workout Selected pick list. All workout types that have a rating other than “Not Evaluated” will display in the pick list.



3. Click **Send to FM** to transmit the model.

If:	Then:
The model passed the delegation parameters	<p>The following message displays:</p> <div style="border: 1px solid gray; padding: 10px; text-align: center;"> <p><b>Do you want to transmit this model to FREDDIE MAC?</b></p> <p>Ok      Cancel</p> </div> <p>Click <b>OK</b> to send the liquidation option to Freddie Mac. Click <b>Cancel</b> to remain on the Workout Summary screen.</p>

# Transmit Liquidation Options to Freddie Mac

If:	Then:
<p>The model did not pass the delegation parameters</p>	<p>The following message displays:</p> <div data-bbox="927 359 1325 583" style="border: 1px solid gray; padding: 5px; text-align: center;"> <p><b>This model has failed the delegated parameters. Please choose OK to submit this model for Freddie Mac to review and approve. Choose Cancel if you would like to review the Warnings and adjust the model to meet the delegated parameters.</b></p> <p>Ok      Cancel</p> </div> <p>Click <b>OK</b> to send the liquidation option to Freddie Mac. Click <b>Cancel</b> to remain on the Workout Summary screen.</p>
<p>The model is not complete and additional data must be entered to send it to Freddie Mac</p>	<p>A message indicating the model is not complete displays in the Workout Model Control section of the screen:</p> <div data-bbox="776 831 1442 1297" style="border: 1px solid gray; padding: 10px;"> <p style="text-align: center;"><b>Workout Model Control</b></p> <p><b>Last Sent : N/A</b> <b>Status : Workout Status Unavailable</b></p> <p>Model is not complete!</p> <p>Contact Screen:     Servicer Contact Name</p> <p>Borrower Screen:     Borrower First Name</p> </div> <div data-bbox="1279 968 1560 1157" style="background-color: #d9ead3; padding: 5px; border: 1px solid gray;"> <p>Each missing data element and its corresponding screen displays here.</p> </div> <p>Access each screen identified and provide the specific data elements that are missing.</p>

## Transmit Liquidation Options to Freddie Mac

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### After You Transmit the Model to Freddie Mac

When you transmit the model to Freddie Mac, control of the model passes to us. Every Workout Prospector model is stored in our database. To prevent errors and confusion, our system allows only one institution at a time to update the model. That institution "controls" the model. Others, based on their login ID and security credentials, may be able to view the model, but only the one that controls the model can enter data or make changes.

Control of a model is passed between you, others, and us as follows:

- When a new model is first created, the institution that created the model has control.
- When you transmit the model, control is transferred to us. This means you can view the model, but not update it.
- If we need additional information from you, we may give control back to you. In these cases, you keep control until you retransmit the model to us.

Contact Freddie Mac if you need control of the model transferred back to you.

### When the Liquidation Option is in Approved Status

When the Freddie Mac Standard Short Sale, Freddie Mac Standard Deed-in-Lieu of Foreclosure, charge-off, or third-party foreclosure sale is in "Approved" status the Liquidation Settlement link displays on the To Do List. Refer to Chapter 13, *Model, Approve, and Settle Third-Party Foreclosure Sales*, for information on how to settle third-party foreclosure sales. Refer to Chapter 12, *Automated Settlement for Liquidations*, for detailed instructions on how to settle all other liquidations.

# Automated Settlement for Liquidation Options

## Introduction

Workout Prospector provides automated settlement functionality for the following liquidation options:

- Freddie Mac Standard Short Sales
- Freddie Mac Standard Deeds-in-Lieu of Foreclosure
- Charge-offs
- Third-party foreclosure sales

Refer to Chapter 13, *Model, Approve, and Settle Third-Party Foreclosure Sales*, for information regarding third-party foreclosure sale settlement.

## Objectives

After completing this chapter, you will:

- Be familiar with the following settlement screens for liquidation options:
  - Short Sale Settlement
  - Deed-in-Lieu Settlement
  - Charge-off Settlement
- Understand how to enter comments related to liquidation settlement
- Be able to submit a liquidation option to Freddie Mac for settlement
- Be able to submit a liquidation option to Freddie Mac for manual settlement review

## Automated Settlement Functionality for Liquidation Options

The following table outlines the required condition(s) to submit each liquidation option for settlement.

For:	The following condition(s) must be met:
Standard Short Sales	<ul style="list-style-type: none"> <li>▪ The Standard Short Sale must be in an “Approved” status (i.e., the Workout Model Status on the Workout Summary screen is “AP”).</li> <li>▪ You must report a payoff – prepaid transaction (exception code 61) via loan-level reporting.</li> </ul> <p>If you do not report this transaction, the following message displays when you attempt to settle the Standard Short Sale:</p> <p><i>“Loan has not been reported closed. Please report the payoff of the loan and wait until the next business day to submit.”</i></p>

## Automated Settlement for Liquidation Options

For:	The following condition(s) must be met:
Standard Deeds-in-Lieu of Foreclosure	<ul style="list-style-type: none"> <li>▪ You must notify us of the Standard Deed-in-Lieu of Foreclosure via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (i.e., foreclosure sale/deed-in-lieu of foreclosure (DIL) submission) within one business day of receiving the executed deed.</li> <li>▪ The Standard Deed-in-Lieu must be in an “Approved” status. (i.e., the Workout Model Status on the Workout Summary screen is “AP”).</li> </ul>
Charge-offs	<ul style="list-style-type: none"> <li>▪ The charge-off must be in an “Approved” status. (i.e., the Workout Model Status on the Workout Summary screen is “AP”).</li> <li>▪ You must report a payoff – prepaid transaction (exception code 61) via loan-level reporting.  If you do not report this transaction, the following message displays when you attempt to settle the charge-off:  <i>“Loan has not been reported closed. Please report the payoff of the loan and wait until the next business day to submit.”</i></li> </ul>

**Note:** Once the liquidation option is in an “Approved” status, the Liquidation Settlement link displays on the To Do List and provides access to the appropriate settlement screen.

### Loans Not Eligible for Settlement in Workout Prospector

Loans insured by the FHA or guaranteed by the VA, and loans that have been repurchased, are not eligible for settlement in Workout Prospector.

If the loan:	Then the following message displays:
Is insured by the FHA or guaranteed by the VA	<i>“Freddie Mac identifies that this is a FHA/VA loan. This loan is not eligible for submission. Please contact 1-800-FREDDIE for assistance.”</i>
Was repurchased when the liquidation was in process	<i>“Loan has been repurchased and is ineligible for settlement. Please contact 1-800-FREDDIE for assistance.”</i>

# Automated Settlement for Liquidation Options

## Understanding Screen Access and Functionality

The following table outlines the screens you will use to model, approve, and settle liquidation options. For each screen, we have identified when the screen is available for data entry and/or edit, and when it is read-only.

Screen	Functionality
Borrower Information	<ul style="list-style-type: none"> <li>▪ Screens are available for data entry and/or edit until you:               <ul style="list-style-type: none"> <li>– Report a payoff – prepaid transaction (exception code 61) via loan-level reporting for a Standard Short Sale or charge-off (i.e., loan is in “closed” status).</li> <li>– Notify us of the Standard Deed-in-Lieu of Foreclosure via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (i.e., foreclosure sale/DIL submission).</li> </ul> </li> <li>▪ After you close the loan (for Standard Short Sales and charge-offs) or notify us of the Standard Deed-in-Lieu via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality, the screens are available, but are read-only.</li> </ul>
Borrower Financials	
Loan	
Property	
HUD-1	
Contact	
Workout Summary	
Letters	
Short Sale Settlement	<ul style="list-style-type: none"> <li>▪ The settlement screens are available after you approve the liquidation option, but are read-only.</li> <li>▪ The settlement screens are available for data entry and/or edit after the loan is reported in “closed” status (for Standard Short Sales and charge-offs) or you have notified us of the Standard Deed-in-Lieu of Foreclosure via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (for Standard Deeds-in-Lieu of Foreclosure).</li> </ul>
Deed-in-Lieu Settlement	
Charge-off Settlement	

# Automated Settlement for Liquidation Options

## Short Sale Settlement Screen

When you select Liquidation Settlement from the To Do List for an approved Standard Short Sale the following settlement screen displays. Certain fields on the Short Sale Settlement screen automatically populate based on data reported and entered on other screens in Workout Prospector.

In this example, the loan has been reported as a payoff – prepaid transaction (exception code 61) and is in a “closed” status. Therefore, certain fields are available for data entry and/or editing on the settlement screen.

You will also use the Short Sale Settlement screen to settle make-whole pre-foreclosure sales.

**Short Sale Settlement**

**Short Sale Settlement Information**

• Payoff Date:	08/03/2015	• Settlement Date:	
• UPB (\$):	147,124.98	• Net Proceeds (\$):	
• ANY (%):	4,500	Cash Contribution (\$):	0.00
• DDLPI:	03/01/2015	Second Lienholder (\$):	6,000.00
• Sales Price (\$):	140,000.00	Relocation Incentive (\$):	3,000.00
MNP (\$):	148,500.00	Promissory Note (\$):	1,000.00
Negotiated MNP (\$):	120,152.76		

Original Promissory Note Sent To Freddie Mac:

By transmitting this data to Freddie Mac via Workout Prospector®, Servicer or its Authorized Third Party, as applicable, represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to liquidate the Mortgage, and b) Servicer's or Servicer's Authorized Third Party's use of Workout Prospector®, including that it has executed and filed a User Agreement with Freddie Mac.

I Agree

\* Indicates a required field

Submit PDF Download Manual Settlement Review

Comments

Enter Comments:  Max 250 chars

Save

Comments History. Display 5 Records

Entered By	Updated On	Comment
Ent	...	...

Submits the Standard Short Sale to Freddie Mac for automated settlement.

Submits the Standard Short Sale to Freddie Mac for review prior to settlement. This button is enabled after one submission attempt.

Creates a file of the settlement data in pdf format available for download when the Standard Short Sale is settled.

Enter comments related to settlement here.

## Automated Settlement for Liquidation Options

The following table identifies and provides a description of each field on the Short Sale Settlement screen.

Field Definition		
<b>Payoff Date</b>	The date on which you received the settlement proceeds.	These fields automatically populate based on the payoff – prepaid transaction (exception code 61) you reported via loan-level reporting.  These fields cannot be edited.
<b>UPB</b>	The unpaid principal balance reported to Freddie Mac as of the last accounting cycle cutoff.	
<b>ANY</b>	The accounting net yield rate.	
<b>DDLPI</b>	The due date of the last paid installment received from the borrower.	
<b>Sales Price</b>	The contract sales price. This field automatically populates with the value entered on Line 401 on the HUD-1 screen and cannot be edited.	
<b>MNP</b>	<p>The minimum net proceeds amount that Freddie Mac will accept for the short sale. The short sale offer price minus allowable expenses and transaction costs should meet or exceed the minimum net proceeds amount. This field automatically populates with the minimum net proceeds amount displayed on the Property screen.</p> <p>If this field is blank or displays a value of zero, the following message displays:</p> <p style="text-align: center;"><i>“MNP amount is missing. Please send to Freddie Mac for Manual Settlement Review.”</i></p>	
<b>Negotiated MNP</b>	<p>The negotiated minimum net proceeds amount. This field automatically populates with the value in the Settlement Total Proceeds field in the Standard Short Sale column on the Analyze screen.</p> <p>If the value entered in the Net Proceeds field is greater than the value in the MNP field, this field does not display.</p>	

## Automated Settlement for Liquidation Options

Field Definition		
Settlement Date	Enter the date on which the Standard Short Sale settled.	
	<p><b>Note:</b> The date you enter in this field will flow to the Settlement Date field on the HUD-1 screen.</p> <p>If the settlement date is more than two years after the workout approval date, the following message displays:</p> <p><i>“Short Sale was approved over 2 years ago. Please send to Freddie Mac for Manual Settlement Review.”</i></p>	
Net Proceeds	Enter the net proceeds amount, which is the value on Line 504 of the HUD-1 Settlement Statement (or the value on Line 04 in Section N of the Settlement/Closing Disclosure Statement) executed at closing. The value you enter will also populate Line 504 on the HUD-1 screen.	
	If the value entered in this field is greater than the value in the MNP field, the Negotiated MNP field does not display.	
	<b>If:</b>	<b>Then the following message displays:</b>
	The Standard Short Sale is delegated and the value entered is less than the value in the MNP field	<i>“Net Proceeds is less than Minimum Net Proceeds. Please send to Freddie Mac for Manual Settlement Review.”</i>
The Standard Short Sale is negotiated and the value entered is less than the value in the Negotiated MNP field		

## Automated Settlement for Liquidation Options

Field Definition							
<b>Cash Contribution</b>	<p>The amount of cash the borrower is contributing. This field automatically populates with the sum of Lines 403 and 404 on the HUD-1 screen. You may edit this field if necessary.</p> <p><b>Note:</b> If you edit this field, the value you enter will flow to Line 403 of the HUD-1 screen and to the Cash Contribution/Collateral Loss field on the Override screen. Line 404 on the HUD-1 screen will be populated with zero.</p>						
	<table border="1"> <thead> <tr> <th><b>If:</b></th> <th><b>Then the following message displays:</b></th> </tr> </thead> <tbody> <tr> <td>The amount in this field is less than the negotiated amount in the Cash Contribution/Collateral Loss field on the Analyze screen</td> <td><i>“Cash contribution is less than what was negotiated. Please validate amount and resubmit.”</i></td> </tr> <tr> <td>The amount in this field is greater than zero and the property is located in California</td> <td><i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i></td> </tr> </tbody> </table>	<b>If:</b>	<b>Then the following message displays:</b>	The amount in this field is less than the negotiated amount in the Cash Contribution/Collateral Loss field on the Analyze screen	<i>“Cash contribution is less than what was negotiated. Please validate amount and resubmit.”</i>	The amount in this field is greater than zero and the property is located in California	<i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i>
	<b>If:</b>	<b>Then the following message displays:</b>					
	The amount in this field is less than the negotiated amount in the Cash Contribution/Collateral Loss field on the Analyze screen	<i>“Cash contribution is less than what was negotiated. Please validate amount and resubmit.”</i>					
The amount in this field is greater than zero and the property is located in California	<i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i>						
<b>Second Lienholder</b>	<p>The amount paid to the second lienholder. This field automatically populates with the value entered on Line 505 of the HUD-1 screen. You may edit this field if necessary.</p> <p><b>Note:</b> If you edit this field, the value you enter will flow to Line 505 of the HUD-1 screen and to the Liens field on the Override screen.</p> <p>If the amount in this field is greater than \$6,000 the following message displays:</p> <p><i>“The amount paid to the second mortgage holder(s) exceeds authorized amount. Please validate amount and resubmit.”</i></p>						
<b>Relocation Incentive</b>	<p>The amount of the borrower relocation incentive. This field automatically populates with the value entered on Line 506 of the HUD-1 screen. You may edit this field if necessary.</p> <p><b>Note:</b> If you edit this field, the value you enter will flow to Line 506 of the HUD-1 screen.</p> <p>If the amount in this field is greater than \$3,000 the following message displays:</p> <p><i>“The amount paid for relocation expenses exceeds authorized amount. Please validate amount and resubmit.”</i></p>						

## Automated Settlement for Liquidation Options

Field Definition		
<b>Promissory Note</b>	The promissory note amount. This field automatically populates with the value entered in the Note Contribution – Unsecured field on the Override screen. You may edit this field if necessary.  <b>Note:</b> If you edit this field, the value you enter will flow to Note Contribution - Unsecured field on the Override screen.	
	<b>If:</b>	<b>Then the following message displays:</b>
	The amount in this field is less than the negotiated amount in the Note Contribution – Unsecured field on the Override screen	<i>“Promissory Note amount is less than what was negotiated. Please validate amount and resubmit.”</i>
	The amount in this field is greater than zero and the property is located in California	<i>“Per state law, no Promissory Note Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i>
<b>Original Promissory Note Sent to Freddie Mac</b>	This field displays when the value entered in the Promissory Note field is greater than zero. Check this box only if you have sent the original promissory note to Freddie Mac.	

# Automated Settlement for Liquidation Options

## Deed-in-Lieu Settlement Screen

When you select Liquidation Settlement from the To Do List for an approved Standard Deed-in-Lieu of Foreclosure the following screen displays. Certain fields on the Deed-in-Lieu Settlement screen automatically populate based on data reported, data entered on other screens in Workout Prospector, and funds remitted.

In this example, you have notified us of the Standard Deed-in-Lieu of Foreclosure via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (i.e., foreclosure sale/DIL submission). Therefore, certain fields are available for data entry and/or editing on the settlement screen.

**Deed in Lieu Settlement**

**Deed in Lieu Settlement Information**

\* Date Deed Received: 12/30/2015

Hazard Insurance Proceeds Remitted (\$):

Cash Contribution Remitted (\$):

\* Deed Executed to Federal Home Loan Mortgage Corporation:

Promissory Note (\$): 0.00

\* Clear Title:

*The title must be free of any liens, claims, defects and encumbrances.  
The title must be marketable so Freddie Mac can sell the property freely to others.*

By transmitting this data to Freddie Mac via Workout Prospector®, Servicer or its Authorized Third Party, as applicable, represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to liquidate the Mortgage, and b) Servicer's or Servicer's Authorized Third Party's use of Workout Prospector®, including that it has executed and filed a User Agreement with Freddie Mac.

I Agree

\* indicates a required field

Submit PDF Download Manual Settlement Review

Comments

Enter Comments:  Max 250 ch

Save

Comments History. Display 5 Records

Entered By	Updated On	Comment			
First	<<	<	>	>>	Last

**Callouts:**

- Submit: Submits the Standard Deed-in-Lieu of Foreclosure to Freddie Mac for automated settlement.
- PDF Download: Creates a file of the settlement data in pdf format available for download when the Standard Deed-in-Lieu of Foreclosure is settled.
- Manual Settlement Review: Submits the Standard Deed-in-Lieu of Foreclosure to Freddie Mac for review prior to settlement. This button is enabled after one submission attempt.
- Comments: Enter comments related to settlement here.

## Automated Settlement for Liquidation Options

The following table identifies and provides a description of each field on the Deed-in-Lieu Settlement screen.

Field Definition	
<b>Date Deed Received</b>	The date you received the executed deed. This field automatically populates with the Sale/Recorded Date you reported when you notified us of the Standard Deed-in-Lieu of Foreclosure via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality.
<b>Hazard Insurance Proceeds Remitted</b>	<p>This field automatically populates with the amount of hazard insurance proceeds remitted.</p> <p>If the amount in this field is less than the negotiated amount displayed in the Hazard Insurance Proceeds field on the Override screen, the following message displays:</p> <p><i>“Hazard Insurance Proceeds is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i></p>
<b>Deed Executed to Federal Home Loan Mortgage Corporation</b>	<p>Check this box to confirm that the deed has been recorded in the name of the Federal Home Loan Mortgage Corporation.</p> <p>This box must be checked to submit for settlement.</p>
<b>Clear Title</b>	<p>Check this box to confirm that the title is free of any liens, claims, defects, or encumbrances.</p> <p>This box must be checked to submit for settlement.</p>
<b>Cash Contribution Remitted</b>	<p>This field automatically populates with the borrower contribution remitted.</p> <p>If the amount in this field is less than the negotiated amount displayed in the Cash Contribution/Collateral Loss field on the Override screen, the following message displays:</p> <p><i>“Cash contribution is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i></p>

# Automated Settlement for Liquidation Options

Field Definition	
<p><b>Promissory Note</b></p>	<p>The promissory note amount. This field automatically populates with the value entered in the Note Contribution – Unsecured field on the Override screen. You may edit this field if necessary.</p> <p><b>Note:</b> If you edit this field, the value you enter will flow to Note Contribution - Unsecured field on the Override screen.</p> <p>If the amount in this field is less than the negotiated amount in the Note Contribution – Unsecured field on the Override screen, the following message displays:</p> <p><i>“Promissory Note amount is less than what was negotiated. Please validate amount and resubmit.”</i></p>
<p><b>Original Promissory Note Sent to Freddie Mac</b></p>	<p>This field displays when the value entered in the Promissory Note field is greater than zero. Check this box only if you have sent the original promissory note to Freddie Mac.</p>

# Automated Settlement for Liquidation Options

## Charge-off Settlement Screen

When you select Liquidation Settlement from the To Do List for an approved charge-off the following settlement screen displays. Certain fields on the Charge-off Settlement screen automatically populate based on data reported, data entered on other screens in Workout Prospector, and funds remitted.

In this example, the loan has been reported as a payoff – prepaid transaction (exception code 61) and is in “closed” status. Therefore, certain fields are available for data entry and/or editing on the settlement screen.

The screenshot shows the "Charge Off Settlement" screen. At the top right is a "Save" button. The main title is "Charge Off Settlement". Below it is a section titled "Charge Off Settlement Information" containing several input fields: "Payoff Date" (08/05/2015), "Cash Contribution Remitted (\$)", "Hazard Insurance Proceeds Remitted (\$)", "Other Proceeds Remitted (\$)", "Promissory Note (\$)" (1,000.00), and "Original Promissory Note Sent To Freddie Mac" (checkbox). Below this is a disclaimer and an "I Agree" checkbox. At the bottom of the form are three buttons: "Submit", "PDF Download", and "Manual Settlement Review". A "Comments" section below the buttons has an "Enter Comments:" text area (Max 250 chars) and a "Save" button. At the very bottom is a "Comments History" table with columns "Entered By", "Updated On", and "Comment", and a "Display 5 Records" dropdown.

Submits the charge-off to Freddie Mac for automated settlement.

Submits the charge-off to Freddie Mac for review prior to settlement. This button is enabled after one submission attempt.

Creates a file of the settlement data in pdf format available for download when the charge-off is settled.

Enter comments related to settlement here.

## Automated Settlement for Liquidation Options

The following table identifies and provides a description of each field on the Deed-in-Lieu Settlement screen.

Field Definition							
<b>Payoff Date</b>	The date you received the charge-off approval letter from Freddie Mac. This field automatically populates with the payoff date you reported with the payoff – prepaid transaction (exception code 61) via loan-level reporting.						
<b>Hazard Insurance Proceeds Remitted</b>	<p>This field automatically populates with the total amount of hazard insurance proceeds remitted.</p> <p>If the amount in this field is less than the negotiated amount displayed in the Hazard Insurance Proceeds field on the Override screen, the following message displays:</p> <p><i>“Hazard Insurance Proceeds is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i></p>						
<b>Other Proceeds Remitted</b>	<p>This field automatically populates with the amount of “other” proceeds remitted.</p> <p>If the amount in this field is less than the negotiated amount displayed in the Miscellaneous Income field on the Override screen, the following message displays:</p> <p><i>“Other Proceeds is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i></p>						
<b>Cash Contribution Remitted</b>	This field automatically populates with the total borrower cash contribution funds remitted.						
	<table border="1"> <thead> <tr> <th>If:</th> <th>Then the following message displays:</th> </tr> </thead> <tbody> <tr> <td>The amount in this field is less than the negotiated amount displayed in the Cash Contribution/Collateral Loss field on the Override screen</td> <td><i>“Cash contribution is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i></td> </tr> <tr> <td>The amount in this field is greater than zero and the property is located in California</td> <td><i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i></td> </tr> </tbody> </table>	If:	Then the following message displays:	The amount in this field is less than the negotiated amount displayed in the Cash Contribution/Collateral Loss field on the Override screen	<i>“Cash contribution is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i>	The amount in this field is greater than zero and the property is located in California	<i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i>
	If:	Then the following message displays:					
The amount in this field is less than the negotiated amount displayed in the Cash Contribution/Collateral Loss field on the Override screen	<i>“Cash contribution is less than what was negotiated. Please verify that the required funds have been remitted and resubmit.”</i>						
The amount in this field is greater than zero and the property is located in California	<i>“Per state law, no Cash Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i>						

## Automated Settlement for Liquidation Options

Field Definition		
<b>Promissory Note</b>	<p>The promissory note amount. This field automatically populates with the value entered in the Note Contribution – Unsecured field on the Override screen. You may edit this field if necessary.</p> <p><b>Note:</b> If you edit this field, the value you enter will flow to Note Contribution - Unsecured field on the Override screen.</p>	
	<b>If:</b>	<b>Then the following message displays:</b>
	<p>The amount in this field is less than the negotiated amount in the Note Contribution – Unsecured field on the Override screen</p>	<p><i>“Promissory Note amount is less than what was negotiated. Please validate amount and resubmit.”</i></p>
	<p>The amount in this field is greater than zero and the property is located in California</p>	<p><i>“Per state law, no Promissory Note Contribution is permitted. Please send to Freddie Mac for Manual Settlement Review.”</i></p>
<b>Original Promissory Note Sent to Freddie Mac</b>	<p>This field displays when the value entered in the Promissory Note field is greater than zero. Check this box only if you have sent the original promissory note to Freddie Mac.</p>	

# Automated Settlement for Liquidation Options

## Enter Comments to Provide Additional Details for Liquidation Settlement

Before you submit the liquidation option to Freddie Mac, ensure that you have documented any additional details that you want to communicate regarding settlement. When submitting for manual settlement review, ensure that you thoroughly explain why the liquidation option is being submitted to Freddie Mac for review.

To do this, perform the following steps:

1. Position your cursor in the Comments section of the screen.

Comments entered on the settlement screens do not flow to the Business Plan.

**Comments**

Enter Comments:

Max 250 chars

Save

Comments History. Display 5 Records

2. Enter a comment, up to a maximum of 250 characters per comment.

**Comments**

Type your comment here.

Enter Comments:

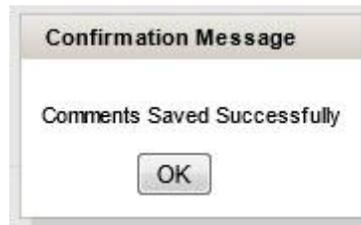
Max 250 chars

Save

Comments History. Display 5 Records

## Automated Settlement for Liquidation Options

3. Click **Save**. The following message displays indicating your comment has been saved.



4. Click **OK**. Your comment will display in the Comments History section of the screen, as shown below.

The initial view displays 5 comments per page. Click the arrow to display 10 or 15 loans per page.



In addition to the comment you entered, your user ID and a date and time stamp also display in the comments history.

Comments Freddie Mac has entered also display in this section of the screen.

5. Repeat steps 1 through 4 to enter and save additional comments. There is no limit to the number of comments you can enter.

# Automated Settlement for Liquidation Options

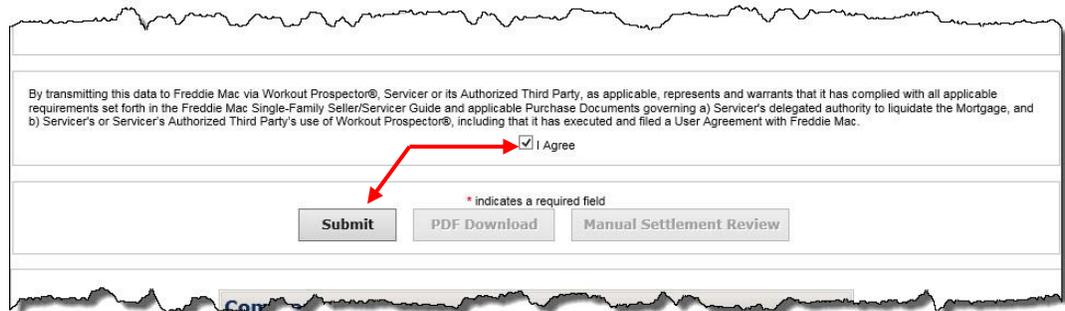
## How to Submit Settlement Data for Liquidation Options to Freddie Mac

Perform the following steps when submitting settlement data for a liquidation option to Freddie Mac:

1. Document any additional details about the liquidation option that you want to communicate to us in the Comments section of the screen.
2. Make any adjustments necessary to reflect the final terms of the liquidation option on the settlement screen.
3. Click **Save** to retain the adjustments you made, if applicable. A message displays indicating the data was saved.



4. When you are ready to send the liquidation option to Freddie Mac for settlement, read the attestation displayed at the bottom of the screen. Click the **I Agree** checkbox if you agree with the statement. The **Submit** button is now functional.



5. Click **Submit** to send the liquidation to Freddie Mac for settlement.

If there are no discrepancies, a message displays indicating that settlement is complete and instructs you to monitor your Detailed Adjustment Report (DAR).



Note that for Standard Deeds-in-Lieu of Foreclosure, the following message displays:

*Settlement Complete. Please monitor your Monthly Account Statement (MAS).*

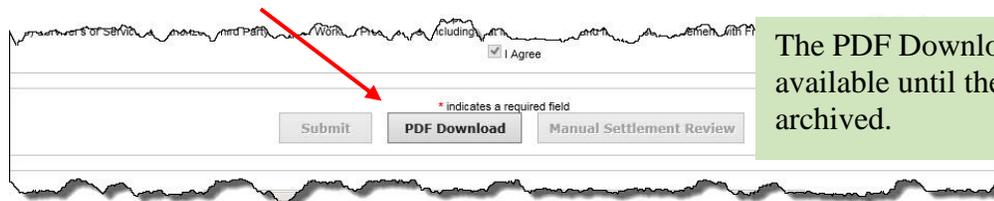
## Automated Settlement for Liquidation Options

If there are discrepancies, the applicable error messages display at the top of the screen, as shown below. Resolve the discrepancies and click **Submit** or submit the liquidation option for manual settlement review. See below for additional information on manual settlement review.



The screenshot shows a web form titled "Short Sale Settlement" with a "Save" button in the top right corner. Below the title, a red error message reads: "The amount paid for relocation expenses exceeds authorized amount. Please validate amount and resubmit." Below the error message is a section header "Short Sale Settlement Information".

6. Click **PDF Download** to download and retain a copy of the settlement data you submitted in your servicing file.



The screenshot shows the bottom of the form with three buttons: "Submit", "PDF Download", and "Manual Settlement Review". A red arrow points to the "PDF Download" button. Above the buttons, there is a checkbox labeled "I Agree" and a note: "\* indicates a required field".

The PDF Download button is available until the workout is archived.

## Manual Settlement Review for Liquidation Options

In some instances there may be discrepancies that you are unable to resolve and require Freddie Mac manual review. To submit a liquidation option for manual settlement review, click **Manual Settlement Review**.



The screenshot shows the bottom of the form with three buttons: "Submit", "PDF Download", and "Manual Settlement Review". A red arrow points to the "Manual Settlement Review" button. Above the buttons, there is a note: "\* indicates a required field".

You must submit the liquidation option for automated settlement one time to enable this button.

After you submit the liquidation option for manual settlement review, a message displays confirming the submission.



The screenshot shows the "Short Sale Settlement" form with a "Save" button in the top right corner. Below the title, a red error message reads: "The amount paid for relocation expenses exceeds authorized amount. Please validate amount and resubmit." Below this, a confirmation message reads: "Loan has been submitted to Freddie Mac for Manual Settlement Review. Please monitor your Workout Manager series reports for updates." Below the confirmation message is a section header "Short Sale Settlement Information". A red arrow points to the confirmation message.

Note: When submitting a liquidation option for manual settlement review, you do not have to provide supporting documentation unless Freddie Mac requests it.

# Automated Settlement for Liquidation Options

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## Monitor the Liquidation Option in Workout Manager®

After you have submitted the liquidation option to Freddie Mac for settlement, monitor its status in Workout Manager®.

# Automated Settlement for Liquidation Options

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# Model, Approve, and Settle Third-Party Foreclosure Sales

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## Introduction

This chapter provides step-by-step instructions on how to model, approve, and settle third-party foreclosure sale transactions in Workout Prospector.

## Objectives

After completing this chapter, you will:

- Be familiar with the screens associated with modeling and approving a third-party foreclosure sale
- Understand what steps you must perform to model and approve a third-party foreclosure sale in Workout Prospector
- Be familiar with the Third Party Sale Settlement screen
- Understand how to enter comments related to third-party foreclosure sale settlement
- Be able to submit a third-party foreclosure sale to Freddie Mac for settlement
- Be able to submit a third-party foreclosure sale to Freddie Mac for manual settlement review

## Before You Model the Third-Party Foreclosure Sale in Workout Prospector

Before you are able to model a third-party foreclosure sale in Workout Prospector, you must notify us of the sale results via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (i.e., foreclosure sale/deed-in-lieu of foreclosure (DIL) submission), within one business day of the foreclosure sale date. Once you notify us of the sale results, any workouts in progress will be cancelled in Workout Prospector.

After you report the sale results to us, wait until the following business day to access Workout Prospector and model the third-party foreclosure sale.

Refer to Guide Section 9301.38 for additional information about reporting the sale results.

# Model, Approve, and Settle Third-Party Foreclosure Sales

## Understanding Screen Access and Functionality

The following table outlines the screens used to model, approve, and settle a third-party foreclosure sale. For each screen, we have identified when the screen is available for data entry and/or edit, and when it is read-only.

Refer to Chapters 6 and 7 in this users' guide for detailed information about these screens.

Screen	Functionality
Borrower Information	<ul style="list-style-type: none"> <li>Screens are available for data entry and/or edit after you notify us of the foreclosure sale results via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality.</li> <li>Screens are available, but are read-only, after you report a third-party foreclosure sale transaction (exception code 71) through loan-level reporting (i.e., close the loan).</li> </ul>
Loan	
Property	
HUD-1	
Contact	
Workout Summary	
Third Party Sale Settlement	<ul style="list-style-type: none"> <li>Screen is available via the Liquidation Settlement link on the To Do List after you approve the third-party foreclosure sale, but is read-only.</li> <li>Screen is available for data entry and/or edit after you report a third-party foreclosure sale transaction (exception code 71) through loan-level reporting (i.e., close the loan).</li> </ul>

Note: If your organization reported the sale results via the Service Loans application **and** reported the third-party foreclosure sale transaction (exception code 71) via loan-level reporting (i.e., closed the loan), prior to accessing the loan in Workout Prospector, the data entry screens (e.g., Property, HUD-1, etc.) will be available when you access Workout Prospector, even though the loan is closed. On the business day after you approve the third-party foreclosure sale in Workout Prospector, the Liquidation Settlement link (which provides access to the Third Party Sale Settlement screen) will be available on the To Do List. The Third Party Settlement screen will be available for data entry and/or edit. The data entry screens (e.g., Property, HUD-1, etc.), will be read-only.

# Model, Approve, and Settle Third-Party Foreclosure Sales

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## Loans Not Eligible for Settlement in Workout Prospector

Loans insured by the FHA or guaranteed by the VA, and loans that have been repurchased, are not eligible for settlement in Workout Prospector.

If the loan:	Then the following message displays:
Is insured by the FHA or guaranteed by the VA	<i>“Freddie Mac identifies that this is a FHA/VA loan. This loan is not eligible for submission. Please contact 1-800-FREDDIE for assistance.”</i>
Was repurchased after the third-party foreclosure sale was in process	<i>“Loan has been repurchased and is ineligible for settlement. Please contact 1-800-FREDDIE for assistance.”</i>

## Data Elements You Must Enter to Submit a Third-Party Foreclosure Sale to Freddie Mac

You must enter the following data elements to submit a third-party foreclosure sale to Freddie Mac:

Screen	Data Element(s)
Borrower Information	Borrower First Name
Property	Sales Price
HUD-1	<ul style="list-style-type: none"><li>▪ Settlement Date</li><li>▪ Line 504 (Enter gross proceeds.)</li></ul>
Loan	DDLPI
Contact	Contact Name

# Model, Approve, and Settle Third-Party Foreclosure Sales

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## How to Model a Third-Party Foreclosure Sale

You may begin modeling the third-party foreclosure sale the business day after you notify us of the sale results via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality.

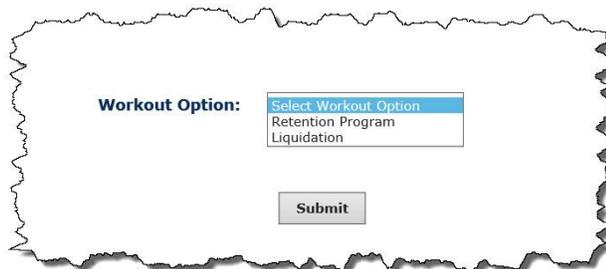
After you access Workout Prospector, perform the following steps to model a third-party foreclosure sale.

1. Enter the Freddie Mac loan number.



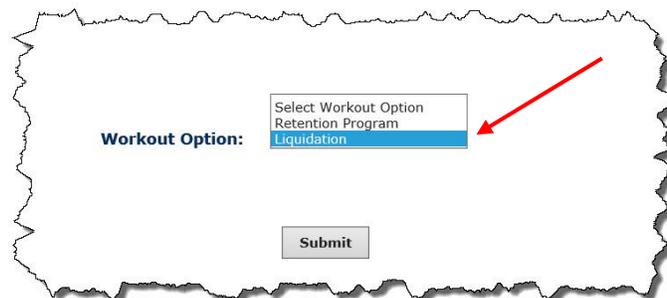
A screenshot of a web form with a jagged, torn-paper border. It contains the text "Freddie Mac Loan Number:" followed by a text input field. Below the input field is a button labeled "Enter".

2. Click **Enter**. The following displays.



A screenshot of a web form with a jagged, torn-paper border. It contains the text "Workout Option:" followed by a pick list. The pick list has three options: "Select Workout Option" (highlighted in blue), "Retention Program", and "Liquidation". Below the pick list is a button labeled "Submit".

3. Select **Liquidation** from the pick list and click **Submit**. The Borrower Information screen displays.



A screenshot of a web form with a jagged, torn-paper border. It contains the text "Workout Option:" followed by a pick list. The pick list has three options: "Select Workout Option", "Retention Program", and "Liquidation" (highlighted in blue). A red arrow points to the "Liquidation" option. Below the pick list is a button labeled "Submit".

# Model, Approve, and Settle Third-Party Foreclosure Sales

4. Ensure that the borrower First Name field is populated and accurate. In some instances, the borrower's first name is also included in the Last Name field. If this occurs, make any necessary edits.

**Borrower Information**

Expand All | Collapse All

**Borrower**

\* First Name: KEN \* Last Name: SMITH Salutation:

\* Street: 123 MAIN STREET \* City: ANYTOWN \* State: NY

\* Zip: 12345

Willingness to maintain property  
 Is Someone Willing to Assume this Loan?

**Co-borrower 1**

**Co-borrower 2**

**Co-borrower 3**

Next

5. Click **Property** on the To Do List. The Property screen displays.

**Property**

Expand All | Collapse All

**Property Address**

\* Street: 123 MAIN STREET \* City: ANYTOWN \* State: NY \* Zip: 12345

Disaster Name:

**Valuation**

\* Conclusion Value (\$):

Sales Price (\$):

**Credit Bid**

Foreclosure Bid Property Value Estimate: (\$) 138,000.00 Credit Bid: (\$) 79,804.00 Good Through Date: 08/31/2015 Valuation Method: BPO

Modified Credit Bid: (\$)

Contract Sales Date:  Org Value (\$): 0.00 # of Units: 1 # of Units Rented: None

Units Rented:  Property listed in MLS:  Owner Occupied:  Purchaser related to Seller:  Aff. by Disaster:

MLS List Date:

Back Next

Enter the Sales Price.

This is equal to the value you reported for the Actual Bid Amount when you notified us of the foreclosure sale results via the Service Loans application.

# Model, Approve, and Settle Third-Party Foreclosure Sales

6. Click **HUD-1** on the To Do List. The HUD-1 screen displays.

The screenshot shows the HUD-1 form with the following sections and callouts:

- HUD1** (Title)
- Summary of Seller's Transactions** (Section Header)
- \* Buyer Name** (Field)
- \* Settlement Date:** 11/26/2015 (Field) - Callout: "Enter the foreclosure sale date in the Settlement Date field."
- 400 Gross Amount Due to Seller** (Section Header)
- 401 Contract Sales Price (\$):** 80,000.00 (Field) - Callout: "Line 401 displays the sale price entered on the Property screen."
- 402 Personal Property (\$):** 0.00 (Field)
- 403 Borrower Cash Contribution to Collateral Loss (\$):** 0.00 (Field)
- 404 Borrower Cash Contribution to Closing Costs (\$):** 0.00 (Field)
- 405 Table Funded MI Contribution (\$):** 0.00 (Field)
- Adjustments for Items Paid by Seller in Advance** (Section Header)
- 502 Settlement charges to seller (line 1400) (\$):** 0.00 (Field)
- 503 Existing loan(s) taken subject to (\$):** 0.00 (Field)
- 504 Payoff of first mortgage loan (\$):** 80,000.00 (Field) - Callout: "Enter the gross proceeds amount on Line 504."
- 505 Payoff of second mortgage loan (\$):** 0.00 (Field)
- 506 Borrower Release of Incentive (\$):** 0.00 (Field)

7. Click **Loan** on the To Do List. The Loan screen displays.

The screenshot shows the Loan form with the following sections and callouts:

- LOAN** (Title)
- Loan Information** (Section Header)
- Loan Pooled:** (Field)
- Workout Requested by Borrower:**  (Field)
- Origination Date:** 10/04/2012 (Field)
- Funding Date:** 11/14/2012 (Field)
- Original LTV (%):** 90.0000 (Field)
- Maturity Date:** 11/01/2042 (Field)
- \* Current UPB (\$):** 141,441.59 (Field)
- \* DDLPI:** 11/01/2013 (Field) - Callout: "Ensure that the DDLPI is populated and accurate."
- Participation %:** 100.00 (Field)
- Note Rate (%):** 4.125 (Field)
- Net Yield Rate (%):** 3.810 (Field)
- Remaining Term:** 348 (Field)
- Foreclosure Begin Date:** 05/19/2014 (Field)
- Scheduled Foreclosure Sale Date:** 06/19/2015 (Field)
- Current PITI** (Section Header)
- P&I (\$):** 0.00 (Field)
- Taxes (\$):** 0.00 (Field)
- Hazard Insurance (\$):** 0.00 (Field)
- Mortgage Insurance (\$):** 0.00 (Field)
- \* Current PITI (\$):** 0.00 (Field)
- Annual RE Taxes (\$):** 0.00 (Field)
- Second Lien Information** (Section Header)
- 2nd Lien UPB (\$):** 0.00 (Field)
- Company Name:** (Field)
- MI Information** (Section Header)
- MI%:** 25 (Field)
- MI Certification Number:** 123654 (Field)
- MI Name:** ESSENT GUARANTY, INC (Field)
- MI Warning:** (Field)

# Model, Approve, and Settle Third-Party Foreclosure Sales

- Click **Contact** on the To Do List. The Contact screen displays.

The screenshot shows a web form titled "Contact Information" with a sub-section for "Servicer". The form contains several input fields and dropdown menus. A green callout box with a red arrow points to the "Contact Name" dropdown menu, which is currently set to "None". The callout text reads: "Ensure that the appropriate Servicer contact name is selected." Other fields include "Servicer Name" (ABC BANK), "S/S Number" (123456), "S/S Loan Number" (0000001), "Create New Contact" (checkbox), "New Contact Name", "Email", "Negotiator Name", "Settlement Specialist", "Broker Name", "Salutation" (Mr), "Phone", "Fax", "Address", "State" (AL), "City", and "Zip". There are "Back" and "Next" buttons at the bottom of the form.

- You are now ready to approve the third-party foreclosure sale. Refer to "How to Approve a Third-Party Foreclosure Sale" on the following page.

# Model, Approve, and Settle Third-Party Foreclosure Sales

## How to Approve a Third-Party Foreclosure Sale

Perform the following steps to approve a third-party foreclosure sale. You must approve the third-party foreclosure sale to display the Liquidation Settlement link on the To Do List, which allows you to access the Third-Party Sale Settlement screen.

1. Click **Workout Summary** on the To Do List. The Workout Summary screen displays.

Note that the Third Party workout type is rated as "optimal."

The screenshot shows the 'Workout Summary' interface. At the top, there are fields for 'Delegated Path', 'Willingness?' (checkbox), and 'Workout Selected:' (dropdown menu). Below this is a table with columns: Workout Type, Rating, Economic Savings Over REO, Projected Loss with Interest, Net Settlement Proceeds to MV, and Repayment Term. The 'Third Party' row is highlighted with a red box, showing a rating of 'Optimal'. To the right of the table is a 'Workout Model Control' section with 'Last Sent : N/A' and 'Status : Workout Status Unavailable'. A 'Save' button is in the top right, and a 'Send To FM' button is in the bottom right.

Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term
Charge Off/Short Payoff	Not Evaluated	\$0.00	\$156,696.08	0.000%	
Deed In Lieu	Not Evaluated	\$0.00	\$124,229.11	0.000%	
Std Short Sale/Make Whole	Not Evaluated	\$0.00	\$53,980.17	0.000%	
Repayment	Not Evaluated	\$0.00	\$0.00	0.000%	0
Third Party	Optimal	\$0.00	\$53,980.17	0.000%	

2. Select **Third Party** from the Workout Selected pick list.

This screenshot is identical to the previous one, but the 'Workout Selected:' dropdown menu is now open, and 'Third Party' is selected. A red arrow points to the 'Third Party' option in the dropdown. The 'Save' button is in the top right, and the 'Send To FM' button is in the bottom right.

# Model, Approve, and Settle Third-Party Foreclosure Sales

3. Click **Send to FM**. The following message displays:



If:	Then:	
<p>You want to approve the third-party foreclosure sale and send it to Freddie Mac</p>	<p>Click <b>OK</b>.</p>	
	<p><b>If:</b></p> <p>The model is complete (all required data has been provided)</p>	<p><b>Then:</b></p> <p>The following screen displays indicating that you have approved and successfully sent the third-party foreclosure sale to Freddie Mac:</p> 
	<p>The model is not complete (all required data has not been provided)</p>	<p>The following message displays:</p>  <p>Access each screen identified and provide the specific data elements that are missing.</p>
<p>You do not want to approve the third-party foreclosure sale and send it to Freddie Mac</p>	<p>Click <b>Cancel</b> to remain on the Workout Summary screen.</p>	

# Model, Approve, and Settle Third-Party Foreclosure Sales

## After You Approve and Transmit the Third-Party Foreclosure Sale to Freddie Mac

After you approve and transmit the third-party foreclosure sale to Freddie Mac, the Workout Summary screen displays the status as “AP” (approved). The **Send to FM** button no longer displays.

**Workout Summary**

Delegated Path Willingness?  Workout Selected: Third Party

Workout Type	Rating	Economic Savings Over REO	Projected Loss with Interest	Net Settlement Proceeds to MV	Repayment Term	Workout Model Status
Charge Off/Short Payoff <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Fail	\$0.00	\$156,696.08	0.000%		Last Sent : 10/12/2015 WO Type : TP Status : AP
Deed In Lieu <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Fail	\$0.00	\$124,229.11	0.000%		
Std Short Sale/Make Whole <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Not Evaluated	\$0.00	\$43,750.58	0.000%		
Repayment <input type="button" value="Repay Plan"/> <input type="button" value="Warnings"/>	Fail	\$0.00	\$0.00	0.000%	0	
Third Party <input type="button" value="Override"/> <input type="button" value="Warnings"/>	Optimal	\$0.00	\$43,750.58	0.000%		

The workout status is approved (AP).

The **Send to FM** button no longer displays.

# Model, Approve, and Settle Third-Party Foreclosure Sales

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## When You Receive the Sale Proceeds

You must report the third-party foreclosure sale transaction (exception code 71) through loan-level reporting within two business days after you receive the sale proceeds.

When reporting, ensure that the:

- Foreclosure sale date is the date that the foreclosure sale occurred
- Ending gross unpaid principal balance (UPB) is \$0.00
- Principal due field is completed with the gross UPB as of the last reporting cycle before the mortgage was inactivated
- Due date of last paid installment (DDLPI) is the date of the last fully paid monthly installment

Successful completion of this transaction “closes” the loan. On the following business day, the Third Party Sale Settlement screen is available for data entry and/or edit, as necessary, and you are able to settle the third-party foreclosure sale.

If you do not report this transaction, the following message displays when you attempt to settle the third-party foreclosure sale:

*“Loan has not been reported closed. Please report the payoff of the loan and wait until the next business day to submit.”*

Ensure that you remit in accordance with *Single-Family Seller/Service Guide (Guide)* Section 8303.10.

# Model, Approve, and Settle Third-Party Foreclosure Sales

## Third-Party Foreclosure Sale Settlement

After you have approved the third-party foreclosure sale, received the sale proceeds, and reported the third-party foreclosure sale transaction (exception code 71) via loan-level reporting you are ready to settle it.

### The Third-Party Sale Settlement Screen

The Third Party Sale Settlement screen is accessible via the Liquidation Settlement link on the To Do List. The link is available, but the screen is read-only, after you approve the third-party foreclosure sale on the Workout Summary screen.

You may enter comments and/or attest to the accuracy of the data on this screen after you report the third-party foreclosure sale transaction (i.e., close the loan). All other fields on this screen automatically populate and are not available for edit.

The screenshot shows the 'Third Party Sale Settlement' screen. At the top right is a 'Save' button. The main title is 'Third Party Sale Settlement'. Below it is a section titled 'Third Party Sale Settlement Information' containing several data fields:

* Foreclosure Sale Date:	01/20/2010	* Foreclosure Sale Amount (\$):	29,501.00
* UPB (\$):	52,600.09	* Gross Proceeds (\$):	192,000.00
* ANY (%):	6.625	Credit Bid Amount (\$):	184,088.00
* DDLPI:	01/20/2009	Modified Credit Bid Amount (\$):	

Below the information section is a disclaimer: 'By transmitting this data to Freddie Mac via Workout Prospector®, Servicer or its Authorized Third Party, as applicable, represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to liquidate the Mortgage, and b) Servicer's or Servicer's Authorized Third Party's use of Workout Prospector®, including that it has executed and filed a User Agreement with Freddie Mac.' Below the disclaimer is an 'I Agree' checkbox.

At the bottom of the information section are three buttons: 'Submit', 'PDF Download', and 'Manual Settlement Review'. A red arrow points from a callout box to the 'Submit' button. Another red arrow points from a callout box to the 'Manual Settlement Review' button. A third red arrow points from a callout box to the 'PDF Download' button.

Below the buttons is a 'Comments' section with a text area labeled 'Enter Comments:' and a 'Save' button. A red arrow points from a callout box to the text area. Below the comments section is a 'Comments History' section with a dropdown menu set to '5 Records' and a table with columns 'Entered By', 'Updated On', and 'Comment'. The table has navigation buttons: 'First', '<<', '<', '>', '>>', and 'Last'.

Callout boxes provide the following explanations:

- Submit: Submits the third-party foreclosure sale to Freddie Mac for automated settlement.
- PDF Download: Creates a file of the settlement data in pdf format available for download when the third-party foreclosure sale is settled.
- Manual Settlement Review: Submits the third-party foreclosure sale to Freddie Mac for review prior to settlement. This button is enabled after one submission attempt.
- Comments: Enter comments related to settlement here.

## Model, Approve, and Settle Third-Party Foreclosure Sales

The following table identifies and provides a description of each field on the Third Party Sale Settlement screen.

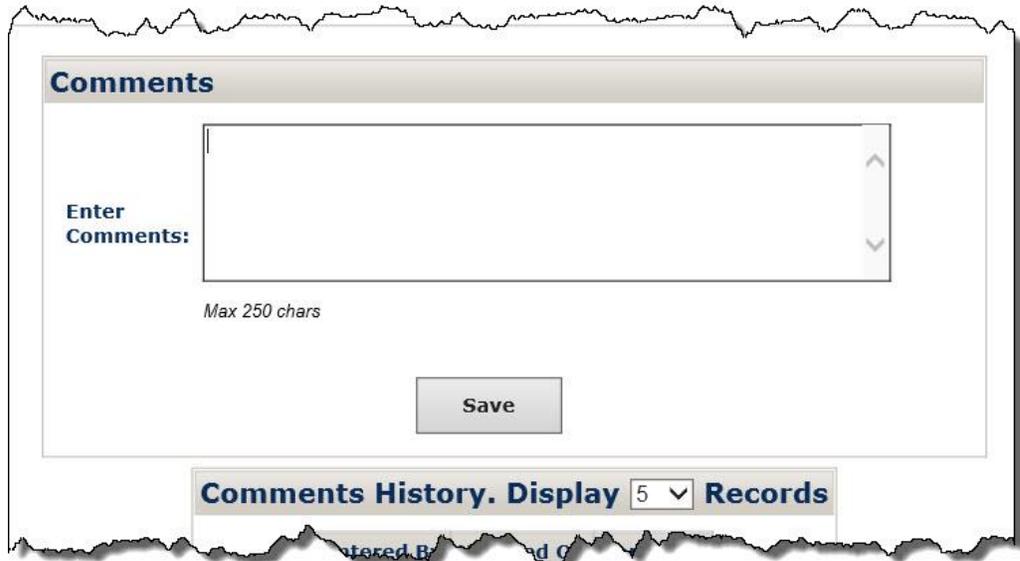
Field Definition		
<b>Foreclosure Sale Date</b>	The date on which the foreclosure sale occurred.	These fields automatically populate based on the third-party foreclosure sale transaction (exception code 71) you reported via loan-level reporting.  These fields cannot be edited.
<b>UPB</b>	The unpaid principal balance reported to Freddie Mac as of the last accounting cycle cutoff.	
<b>ANY</b>	The accounting net yield rate.	
<b>DDLPI</b>	The due date of the last paid installment received from the borrower.	
<b>Foreclosure Sale Amount</b>	<p>This field automatically populates with the value you reported for Actual Bid Amount when you notified us of the sale results via the Service Loans application using the Report Foreclosure Sale/Deed-in-Lieu Activity functionality (i.e., foreclosure sale/deed-in-lieu of foreclosure (DIL) submission).</p> <p>If the value in this field is less than or equal to the Modified Credit Bid Amount (or the Credit Bid Amount if a Modified Credit Bid Amount does not exist), the following message displays:</p> <p style="text-align: center;"><i>“Foreclosure Sale Amount is less than or equal to the Credit Bid. Please send to Freddie Mac for Manual Settlement Review.”</i></p>	
<b>Gross Proceeds</b>	This field automatically populates with the gross proceeds amount entered on Line 504 of the HUD-1 screen.	
<b>Credit Bid Amount</b>	This field automatically populates with the value displayed in the Credit Bid field on the Property screen.	
<b>Modified Credit Bid Amount</b>	<p>This field is read-only and automatically populates with the Modified Credit Bid Amount displayed on the Property screen, if applicable.</p> <p><b>Note:</b> If the Credit Bid Amount <u>and</u> Modified Credit Bid Amount fields are blank, the following message displays:</p> <p style="text-align: center;"><i>“Credit bid is missing. Please submit the bid used in the foreclosure sale to <a href="mailto:shortsales@FreddieMac.com">shortsales@FreddieMac.com</a>.”</i></p> <p>If you receive this message e-mail Form 105, <i>Multipurpose Loan Servicing Transmittal</i>, to <a href="mailto:shortsales@FreddieMac.com">shortsales@FreddieMac.com</a>. Include the amount used for the bid on the form and supporting documentation. We will update the model and then notify you via e-mail when you can submit it for settlement.</p>	

# Model, Approve, and Settle Third-Party Foreclosure Sales

## Enter Comments to Provide Additional Details for Third-Party Foreclosure Sale Settlement

Before you submit the third-party foreclosure sale to Freddie Mac for settlement, make sure to document any additional details you want to communicate to us regarding settlement. To do this, perform the following steps:

1. Position your cursor in the Comments section of the screen.



**Comments**

Enter Comments:

Max 250 chars

Save

Comments History. Display 5 Records

2. Enter a comment, up to a maximum of 250 characters per comment.



**Comments**

Type your comment here.

Enter Comments:

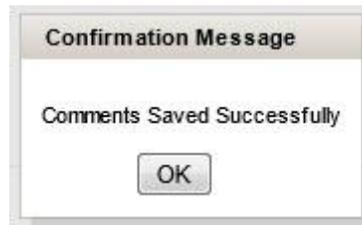
Max 250 chars

Save

Comments History. Display 5 Records

## Model, Approve, and Settle Third-Party Foreclosure Sales

- Click **Save**. The following message displays indicating your comments have been saved.



- Click **OK** to save your comment. Your comment will display in the Comments History section of the screen, as shown below.

The initial view displays 5 comments per page. Click the arrow to display 10 or 15 loans per page.



In addition to the comment you entered, your user ID and a date and time stamp also display in the comments history.

Comments Freddie Mac has entered also display in this section of the screen.

- Repeat steps 1 through 4 to enter and save additional comments. There is no limit to the number of comments you can enter.

# Model, Approve, and Settle Third-Party Foreclosure Sales

## How to Submit Settlement Data for Third-Party Foreclosure Sales to Freddie Mac

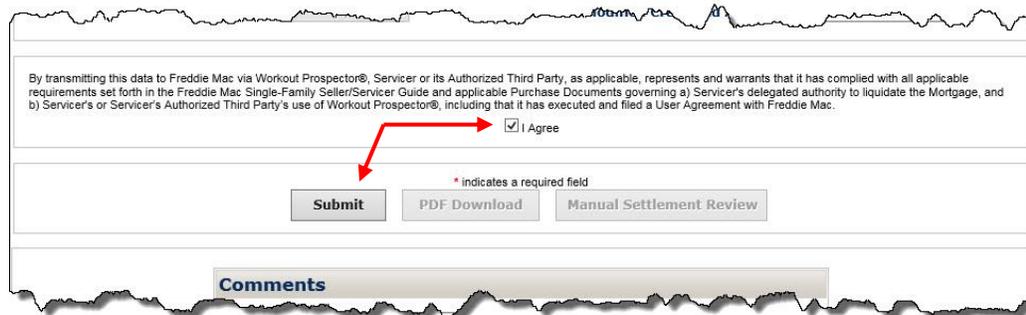
Perform the following steps when submitting settlement data for a third-party foreclosure sale to Freddie Mac:

1. Document any additional details about the third-party foreclosure sale that you want to communicate to us in the Comments section of the screen.



The screenshot shows the 'Third Party Sale Settlement' form. At the top right, there is a 'Save' button. Below it, a red arrow points to a green box containing the text 'Data saved'. The main title of the form is 'Third Party Sale Settlement' and the section header is 'Third Party Sale Settlement Information'.

2. When you are ready to send the third-party foreclosure sale to Freddie Mac, read the attestation displayed at the bottom of the screen. Click the **I Agree** checkbox if you agree with the statement. The **Submit** button is now functional.



The screenshot shows the attestation section of the form. It contains the following text: "By transmitting this data to Freddie Mac via Workout Prospector®, Servicer or its Authorized Third Party, as applicable, represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to liquidate the Mortgage, and b) Servicer's or Servicer's Authorized Third Party's use of Workout Prospector®, including that it has executed and filed a User Agreement with Freddie Mac." Below this text is a checkbox labeled 'I Agree' which is checked. A red arrow points to the checkbox. Below the checkbox are three buttons: 'Submit', 'PDF Download', and 'Manual Settlement Review'. A note above the buttons states '\* indicates a required field'. At the bottom of the form is a 'Comments' section.

3. Click **Submit** to send the third-party foreclosure sale to Freddie Mac for settlement.

If there are no discrepancies, a message displays indicating that settlement is complete and instructs you to monitor your Detailed Adjustment Report (DAR).



The screenshot shows the 'Third Party Sale Settlement' form after settlement. At the top right, there is a 'Save' button. Below it, a red message states: "Settlement complete. Please monitor your Detailed Adjustment Report (DAR) for updates." The main title of the form is 'Third Party Sale Settlement' and the section header is 'Third Party Sale Settlement Information'. Below the section header, there are two input fields: 'Foreclosure Sale Date' with the value '07/07/2015' and 'Foreclosure Sale Amount (\$):' with the value '248,056.00'.

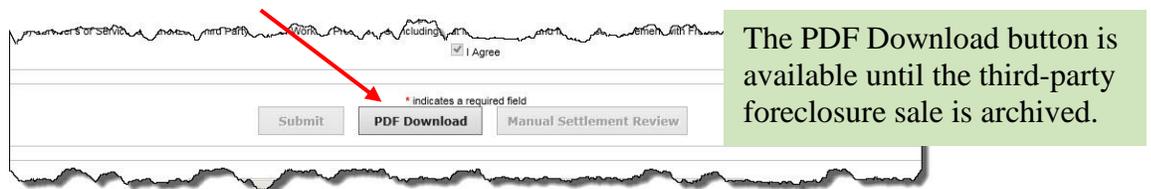
## Model, Approve, and Settle Third-Party Foreclosure Sales

If there are discrepancies, the applicable error messages display at the top of the screen, as shown below. Resolve the discrepancies and click **Submit** or submit the third-party foreclosure sale for manual settlement review. See below for additional information on manual settlement review.



The screenshot shows the 'Third Party Sale Settlement' form. At the top right is a 'Save' button. The main title is 'Third Party Sale Settlement'. Below the title is a red error message: 'Foreclosure Sale Amount is less than or equal to the Credit Bid. Please send to Freddie Mac for Manual Settlement Review.' Below this is a section titled 'Third Party Sale Settlement Information'. It contains two input fields: '\* Foreclosure Sale Date:' with the value '06/24/2015' and '\* Foreclosure Sale Amount (\$):' with the value '84,200.00'. The asterisk indicates a required field.

4. Click **PDF Download** to download and retain a copy of the settlement data you submitted in your servicing file.



The screenshot shows the bottom portion of the 'Third Party Sale Settlement' form. It includes a 'Submit' button, a 'PDF Download' button, and a 'Manual Settlement Review' button. A red arrow points to the 'PDF Download' button. A green callout box on the right contains the text: 'The PDF Download button is available until the third-party foreclosure sale is archived.' Above the buttons, there is a checkbox labeled 'I Agree' and a note: '\* indicates a required field'.

## Manual Settlement Review for Third-Party Foreclosure Sales

In some instances there may be discrepancies that you are not able to resolve and require Freddie Mac to manually review. To submit a third-party foreclosure sale for manual settlement review, click **Manual Settlement Review**.



The screenshot shows the 'Third Party Sale Settlement' form. At the top right is a 'Save' button. The main title is 'Third Party Sale Settlement'. Below the title is a red error message: 'Foreclosure Sale Amount is less than or equal to the Credit Bid. Please send to Freddie Mac for Manual Settlement Review.' Below this is a section titled 'Third Party Sale Settlement Information'. It contains two input fields: '\* Foreclosure Sale Date:' with the value '07/07/2015' and '\* Foreclosure Sale Amount (\$):' with the value '60,000.00'. The asterisk indicates a required field. Below the information section is a paragraph of legal text: 'By transmitting this data to Freddie Mac via Workout Prospector®, Servicer or its Authorized Third Party, as applicable, represents and warrants that it has complied with all applicable requirements set forth in the Freddie Mac Single-Family Seller/Servicer Guide and applicable Purchase Documents governing a) Servicer's delegated authority to liquidate the Mortgage, and b) Servicer's or Servicer's Authorized Third Party's use of Workout Prospector®, including that it has executed and filed a User Agreement with Freddie Mac.' Below the text is a checkbox labeled 'I Agree'. At the bottom, there are three buttons: 'Submit', 'PDF Download', and 'Manual Settlement Review'. A red arrow points to the 'Manual Settlement Review' button. Below the buttons is a section titled 'Comments'.

## Model, Approve, and Settle Third-Party Foreclosure Sales

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After you submit the third-party foreclosure sale for manual settlement review, a message displays confirming the submission.



### Monitor the Third-Party Foreclosure Sale in Workout Manager®

After you submit the third-party foreclosure sale to Freddie Mac for settlement, monitor its status in Workout Manager®.

# Warning Messages

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## Warning Messages

The warnings Workout Prospector® displays are specific to each workout type. You can view warnings in the following ways:

- For modifications:
  - View loan-level eligibility warning messages on the Mortgage Attributes, Modeling Attributes, and Modification Solution screens when you click **Next** or **Submit for Calc**.
  - View modification-level eligibility warning messages on the Modification Solution screen when you click **Submit for Calc**.
- View warning messages for liquidation options on the Warnings and Comments screen. Workout Prospector displays the warnings that correspond to the workout type currently selected on the Workout Summary screen.
- Click **Warnings** next to any of the workout types rated in the bottom area of the Workout Summary screen. Workout Prospector will display warnings that correspond to that workout type.

There are two types of warnings in Workout Prospector:

- Fatal warnings that require our approval and cause your model to be sent to us via the negotiated policy path.
- Warnings that do not affect the policy path of your model, but call our attention to items that we may need to check for accuracy.

The following pages identify the warning messages that Workout Prospector may generate and the specific model types that may receive the warnings.

## Warning Messages

### Warning Messages for Alternatives to Foreclosure Other than Modifications

You may receive the warning messages displayed below for the following alternatives to foreclosure:

- Charge-off (CO)
- Repayment Plan (RP)
- Make-whole Preforeclosure Sale (MW)
- Third-Party Foreclosure Sale (TP)
- Freddie Mac Standard Short Sale (SS)
- Freddie Mac Standard Deed-in-Lieu of Foreclosure (DIL)

Refer to “Warning Messages for Modifications” in this Appendix for warnings applicable to modifications.

Warning Message	Alternative to Foreclosure Type						Fatal?
	CO	DIL	RP	MW	TP	SS	
W004: Loan is credit enhanced with Recourse.				X		X	No
W004: Loan is credit enhanced with recourse or indemnification. Requires Freddie Mac approval.	X	X					Yes
W007: Sale must be an arms’ length transaction. All parties involved in the sale must be unrelated/unaffiliated. Requires Freddie Mac approval.				X		X	Yes
W025: (Workout Type) Miscellaneous expenses have been overridden.	X	X		X		X	No
W026: (Workout Type) Miscellaneous income has been overridden.	X	X		X		X	No
W027: Loan is in REO status. Requires Freddie Mac approval.	X	X	X	X	X	X	Yes
W044: Original LTV > 80% and MI field is blank. Verify MI information is accurate.		X		X		X	No
W068: Projected credit loss (w/interest) is \$[actual amount for Projected Credit Loss]. Requires Freddie Mac approval.				X		X	Yes
W073: DIL requires Freddie Mac approval.		X					Yes
W076: Charge-off amount is \$[actual amount of charge-off]. Requires Freddie Mac approval.	X						Yes
W078: Loan is closed. Requires Freddie Mac approval.	X	X	X	X		X	Yes

## Warning Messages

Warning Message	Alternative to Foreclosure Type						Fatal?
	CO	DIL	RP	MW	TP	SS	
W102: Payment to junior lien holder is greater than \$6,000. Requires Freddie Mac approval.				X		X	Yes
W105: Loan is credit enhanced with MI. Requires Freddie Mac approval.		X			X		No
W107: There is an amount on line 505 of the HUD-1 and no second lien UPB amount. Requires Freddie Mac approval.				X		X	Yes
W115: Scheduled Foreclosure Sale Date is (mmddyyyy).	X	X	X	X	X	X	No
W116: Previous modification with forbearance.	X				X		No
W123: The minimum net proceeds is no longer valid. Minimum net proceeds are only valid for 90 days from the date of receipt within the Service Loans application. Requires Freddie Mac approval.				X		X	Yes
W124: Total Net Proceeds does not meet Minimum Net Proceeds. Requires Freddie Mac approval.				X		X	Yes
W125: Active loan. Borrower does not have a qualifying hardship reason. Requires Freddie Mac approval.				X		X	Yes
W126: Active loan. DTI is (actual DTI). Requires Freddie Mac approval.		X		X		X	Yes
W127: Active loan. Home is not owner occupied. Requires Freddie Mac approval.				X		X	Yes
W128: Borrower has non-retirement liquid assets greater than \$50,000. Requires Freddie Mac approval.				X		X	Yes
W129: Active loan. Cash contribution is less than 20% of non-retirement liquid assets which are \$10,000 or greater. Requires Freddie Mac approval.				X		X	Yes
W137: Borrower has obtained new mortgage within 6 months of DDLPI/evaluation. Requires Freddie Mac approval.		X		X		X	Yes

# Warning Messages

## Warning Messages for Modifications

Warning messages for modifications are categorized as either loan-level eligibility warnings or modification-level eligibility warnings. Loan-level eligibility warnings are associated with specific characteristics of the loan (e.g., loan status and loan product type), whereas modification-level eligibility warnings are related to the parameters of a specific modification program.

Warning messages for modifications will be generated and displayed as outlined below.

The following type of warning:	Is generated when you:	And displays on:
Loan-Level Eligibility	Click <b>Next</b> or <b>Submit for Calc</b>	The Mortgage Attributes, Modeling Attributes, and Modification Solution screens
Modification-Level Eligibility	Click <b>Submit for Calc</b>	The Modification Solution screen

## Warning Messages for Modifications Other than HAMP

You may receive the warning messages displayed below for the following modifications:

- Freddie Mac Standard Modification (SM)
- Freddie Mac Streamlined Modification (STR)
- “Other Modifications” (OTH)

Warning Message	Modification Type			Warning Type		Fatal?
	SM	STR	OTH	Loan-Level Eligibility	Modification-Level Eligibility	
Warning: Loan is in REO status, not eligible for delegated approval.	X	X	X	X		Yes
Warning: Loan is closed, not eligible for delegated approval.	X	X	X	X		Yes
Warning: Loan is credit-enhanced with recourse, not eligible for delegated approval.	X	X	X	X		Yes
Warning: Loan is credit-enhanced with indemnification.	X	X	X	X		No

## Warning Messages

Warning Message	Modification Type			Warning Type		Fatal?
	SM	STR	OTH	Loan-Level Eligibility	Modification-Level Eligibility	
Warning: Loan is FHA/VA or Rural Housing, not eligible for delegated approval.	X	X		X		Yes
Warning: Loan is FHA/VA, not eligible for delegated approval.			X	X		Yes
Warning: Loan has been modified three or more times.	X	X	X	X		No
Warning: Prior Modification for this mortgage defaulted within 12 months of the Workout Decision Date.	X	X	X		X	No
Warning: Loan origination too recent, not eligible for delegated approval.	X	X	X		X	Yes
Warning: Previous modification with forbearance.	X	X	X	X		No
10013: Warning: Property is condemned, not eligible for delegated approval.	X				X	Yes
10013: Warning: Property is condemned.		X	X		X	No
Warning: Modification results in P&I increase, not eligible for delegated approval.		X			X	Yes
Warning: Modification results in P&I increase.	X		X		X	No
Warning: Modified UPB is less than Current UPB.	X	X	X		X	No
Warning: Forbearance exceeds maximum allowable amount, not eligible for delegated approval.			X		X	Yes
Warning: Validate borrower's ability to pay.			X		X	No

## Warning Messages

Warning Message	Modification Type			Warning Type		Fatal?
	SM	STR	OTH	Loan-Level Eligibility	Modification-Level Eligibility	
Warning: New Remaining Term is less than the Current Remaining Term.			X		X	No
Warning: Non-owner occupied property and loan is insufficiently delinquent, not eligible for delegated approval.	X	X	X		X	Yes
Warning: DTI is outside the allowable range, not eligible for delegated approval.	X				X	Yes
Not delegated for this program.	Displays when your organization is not delegated for the Deferred Payment Modification or Late Stage Streamlined Modification.			X		Yes

### Warning Messages for HAMP Modifications

The following table identifies the HAMP warning messages.

Warning Message	Warning Type		Fatal?	Cause
	Loan-Level Eligibility	Modification-Level Eligibility		
Warning: Loan is in REO status, not eligible for delegated approval.	X		Yes	You are attempting to modify a loan that is in REO status.
Warning: Loan is closed, not eligible for delegated approval.	X		Yes	You are attempting to modify a loan that is closed.
Warning: Loan is credit enhanced with recourse, not eligible for delegated approval.	X		Yes	You are attempting to modify a loan that is credit enhanced with recourse.

## Warning Messages

Warning Message	Warning Type		Fatal?	Cause
	Loan-Level Eligibility	Modification-Level Eligibility		
Warning: Loan is credit enhanced with indemnification.	X		No	You are attempting to modify a loan that is credit enhanced with indemnification.
Warning: Loan is FHA/VA or Rural Housing, not eligible for delegated approval.	X		Yes	The loan is identified as an FHA/VA or RHS mortgage.
Warning: Previous modification with forbearance.	X		No	The loan was previously modified with forbearance.
The loan modification solution is pending Treasury Net Present Value Data Inputs.		X	Yes	You have not completed the following fields on the Modeling Attributes screen: <ul style="list-style-type: none"> <li>▪ TNPV Value Mod</li> <li>▪ TNPV Run Date</li> <li>▪ TNPV Value No Mod</li> </ul>
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide. Prior to resubmitting this information please recheck the following criteria: Unpaid Principal Balance.		X	Yes	The Original UPB exceeds (is greater than) \$1,403,400.00.
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide. Prior to resubmitting this information please recheck the following criteria: Loan Origination Date.		X	Yes	The Loan Origination Date is after January 1, 2009.

## Warning Messages

Warning Message	Warning Type		Fatal?	Cause
	Loan-Level Eligibility	Modification-Level Eligibility		
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide. Prior to resubmitting this information please recheck the following criteria: Occupancy Status		X	Yes	The Current Property Type selected is not an owner-occupied primary residence.
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide. Prior to resubmitting this information please recheck the following criteria: Monthly Housing Expense to Income ratio.		X	Yes	The Current Monthly Housing Expense to Income Ratio is less than or equal to 31 percent.
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide. Prior to resubmitting this information please recheck the following criteria: Calculating the Target Payment.		X	Yes	The principal forbearance can't exceed the HAMP forbearance limit, defined as the greater value of either (a) 30 percent of the UPB (including capitalization of arrearages) or (b) the amount necessary to achieve a 100 percent MTMLTV ratio on the post-modified interest bearing UPB, when achieving the affordable P&I payment amount for a HAMP modification.
Workout Prospector® cannot process the criteria for the subject borrower. Please underwrite the borrower manually according to Chapter 9205 of the Guide.		X	Yes	The TNPV Amount entered is less than or equal to -\$1,000,000 (i.e. -1,000,001 is not a valid data input value; -999,999 is a valid data input value).  Note: TNPV Value Mod – TNPV Value No Mod = TNPV Amount

## Warning Messages

Warning Message	Warning Type		Fatal?	Cause
	Loan-Level Eligibility	Modification-Level Eligibility		
Workout Prospector® cannot process the criteria for the subject borrower. Please verify the accuracy of the data and recheck the criteria for determining imminent default prior to resubmitting. If Workout Prospector cannot provide results, please underwrite the borrower manually according to applicable imminent default requirements of your Freddie Mac Servicing Contract.		X	Yes	At least one of the following occurred: <ul style="list-style-type: none"> <li>You entered a result of “2” in the Imminent Default Indicator Result field, and did not select an Imminent Default Hardship Reason.</li> <li>The values entered in the Checking Accounts, Savings/Money Market, and Stocks/Bonds/CD fields sum to a value equal to or greater than \$25,000.</li> </ul>
DTI is being calculated at greater than or equal to 999%. Please validate inputs.		X	Yes	The debt-to-income ratio is equal to or greater than 999 percent.
Refer Borrower to Loan Counseling		X	No	The borrower has a total monthly debt payment-to-income ratio (inclusive of the target payment) that is equal to or greater than 55 percent and is required to enter a counseling program with a HUD-approved housing counseling agency as a condition for the modification.

## Warning Messages

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# Modification Statuses and Decline Reasons

## Modification Statuses

There are four modification statuses available via the Modification Status pick list on the Modification Solution screen:

- Draft
- Trial Period – Approve
- Modification Program – Approve
- Modification Program – Borrower Declined Terms/Ineligible

The following pages identify the modification statuses in their order of sequential progression. Once you select and save the model in a particular status, you may not regress to a status earlier in the sequence.

Status	When to Select	While in this status, you:
<p><b>Draft</b></p> <p>After 365 days of no activity, Workout Prospector will automatically change the status to Modification Program – Borrower Declined Terms/Ineligible.</p>	<p>The borrower is under consideration for modification. However, additional information is needed.</p> <ul style="list-style-type: none"> <li>▪ Data or partial data is entered.</li> <li>▪ A solution has been generated, but user input data is still subject to change.</li> </ul>	<ul style="list-style-type: none"> <li>▪ May view the data.</li> <li>▪ May submit for calculation.</li> <li>▪ May save to Trial Period – Approve status if a solution is successfully generated when you click <b>Submit for Calc.</b></li> </ul>
<p><b>Trial Period - Approve</b></p>	<p>All income data (if required) and other required information and documentation used to determine borrower eligibility and prepare the Trial Period Plan or modification documents have been validated.</p>	<ul style="list-style-type: none"> <li>▪ May view the data.</li> <li>▪ May click <b>View Solution</b> to display the solution.</li> <li>▪ May save to any of the following statuses if a solution is successfully generated:                             <ul style="list-style-type: none"> <li>– Trial Period – Approve</li> <li>– Modification Program – Approve</li> <li>– Modification Program – Borrower Declined Terms/Ineligible</li> </ul> </li> </ul>

## Appendix B: Modification Statuses and Decline Reasons

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Status	When to Select	While in this status, you
<b>Modification Program - Approve</b>	Data for the final modification has been entered and the modification terms have been regenerated. The modification is ready for settlement.	<ul style="list-style-type: none"> <li>▪ May view the data for six months.</li> <li>▪ Settle the modification via the automated settlement functionality in Workout Prospector.</li> </ul> <p>The model cannot be edited once the loan is saved in this status.</p>
<b>Modification Program - Borrower Declined Terms/Ineligible</b>	<ul style="list-style-type: none"> <li>▪ Data and/or documentation for the final modification were not received or entered within the required timeframe.</li> <li>▪ The borrower declined the terms of the modification.</li> </ul>	<p>May view the data for six months.</p> <p>The model cannot be edited once the loan is saved in this status.</p>

## Appendix B: Modification Statuses and Decline Reasons

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### HAMP Modification Decline Reasons

Prior to saving a HAMP modification in the Modification Program – Borrower Declined Terms/Ineligible status, you must select a decline reason. The available decline reasons and their meanings are outlined below.

Decline Reason	When to Select
Ineligible Mortgage	The mortgage is not a first lien mortgage, was originated after 1/1/2009, and/or exceeds the maximum allowable UPB.
Ineligible Borrower – Current DTI Less than 31%	The borrower has the ability to pay based on a housing debt-to-income ratio that is already equal to or less than 31 percent (based on gross income).
Property Not Owner Occupied	The property is not the borrower's primary residence.
Other Ineligible Property	The property has more than four units, is condemned, or vacant.
Investor Guarantor Not Participating	Not applicable. Do not select this reason.
B/K Court Declined	The bankruptcy court has declined the modification or refused to remove the mortgage from the bankruptcy plan prior to the end of the trial period, including any extension of up to two months.
Negative NPV	The Treasury NPV result is negative.
Default Not Imminent	The borrower does not meet the imminent default test (i.e., has the ability to pay based on available cash reserves and/or disposable net income).
Previous Official HAMP Modification	Loan previously in a HAMP Trial Period Plan or previously modified under HAMP, is no longer eligible.
Loan Paid Off or Reinstated	The borrower paid off the mortgage or brought it current.
Excessive Forbearance	The forbore principal amount exceeds the requirements outlined in Guide Sections 9201.5 and 9205.8.

## Appendix B: Modification Statuses and Decline Reasons

Reason	When to Select
Request Incomplete/Incomplete File Provided	You have insufficient information/documentation to complete the request.
Insufficient Time to Review and Postpone Foreclosure Sale	The Borrower Response Package was not received in sufficient time to evaluate the borrower for the modification.
Workout Type Changed	You are pursuing a different workout option.

### Streamlined Modification Decline Reasons

Prior to saving a Streamlined Modification in the Modification Program – Borrower Declined Terms/Ineligible status, you must select a decline reason. The available decline reasons and their meanings are outlined below.

Reason	When to Select
Ineligible Mortgage	The mortgage does not meet the eligibility requirements outlined in Guide Section 9206.3.
Other Ineligible Property	The property has more than four units.
Offer Not Accepted by Borrower/Request Withdrawn	The borrower did not accept the trial period plan (e.g., failed to make the first trial period payment due) or Modification Agreement (failed to sign and return the required number of Modification Agreements). The Servicer did not determine the borrower to be ineligible.
Loan Paid Off or Reinstated	The borrower paid off the mortgage or brought it current.
Request Incomplete/Incomplete File Provided	You have insufficient information/documentation to complete the request.
Borrower Not Eligible	The borrower does not meet the eligibility requirements outlined in Guide Section 9206.3.
Borrower Failed Trial Period	The borrower did not successfully complete the Trial Period.

## Appendix B: Modification Statuses and Decline Reasons

Reason	When to Select
BRP Received; Evaluating for HAMP	<p>The borrower declined the terms of the Streamlined Modification and requested a modification under HAMP.</p> <p>When you select this reason and click <b>Save Solution</b>, Workout Prospector re-displays the Modification Solution screen:</p> <ul style="list-style-type: none"> <li>▪ The status is set to Draft for a HAMP modification.</li> <li>▪ The Workout Decision Date documented for the Streamlined Modification will now display as the Evaluation Date for the HAMP modification if the model was saved in the Trial Period – Approve status.</li> <li>▪ The Trial Period Start Date and Trial Period End Date for the Streamlined Modification will now display as the Trial Period Start Date and Trial Period End Date for the HAMP modification if the model was saved in the Trial Period – Approve status.</li> <li>▪ The Mortgage P&amp;I Payment amount for the Streamlined Modification Trial Period Plan displays in the Streamline P&amp;I field on the Modification Solution screen if the model was saved in the Trial Period – Approve status.</li> </ul>
Insufficient Time to Review and Postpone Foreclosure Sale	This reason not applicable to Streamlined Modifications.
Workout Type Changed	You are pursuing a different workout option.

## Appendix B: Modification Statuses and Decline Reasons

### Standard Modification Decline Reasons

Prior to saving a Standard Modification in the Modification Program – Borrower Declined Terms/Ineligible status, you must select a decline reason. The available decline reasons and their meanings are outlined below.

Reason	When to Select
Ineligible Mortgage	The mortgage does not meet the requirements outlined in Guide Sections 9206.5 or 9206.6.
Other Ineligible Property	The property has more than four units or is condemned.
Offer Not Accepted by Borrower/Request Withdrawn	The borrower did not accept the trial period plan (e.g., failed to make the first trial period payment due) or Modification Agreement (failed to sign and return the required number of Modification Agreements), or withdrew the request. The Servicer did not determine the borrower to be ineligible.
Default Not Imminent	The borrower does not meet the imminent default test (i.e., has the ability to pay based on available cash reserves and/or disposable net income).
Loan Paid Off or Reinstated	The borrower paid off the mortgage or brought it current.
Request Incomplete/ Incomplete File Provided	You have insufficient information/documentation to complete the request.
Borrower Not Eligible	The borrower does not meet the eligibility requirements outlined in Guide Sections 9206.5 or 9206.6.
Borrower Failed Trial Period	The borrower did not successfully complete the Trial Period.
Borrower Requests HAMP/Decline Standard Modification Terms	The borrower declined the terms of the Standard Modification and requested a modification under HAMP. The status is set to Draft for a HAMP modification. When selecting this reason, ensure you are in compliance with the Guide.
Insufficient Time to Review and Postpone Foreclosure Sale	The Borrower Response Package was not received in sufficient time to evaluate the borrower for the modification.
Workout Type Changed	You are pursuing a different workout option.

# Bulk Upload Text File Sample

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## Sample Upload File

This section contains a bulk upload text file sample based on the Workout Prospector Text and TAG file format specification available on the Learning Center at [http://www.freddiemac.com/learn/pdfs/service/wp\\_tag\\_file\\_format.pdf](http://www.freddiemac.com/learn/pdfs/service/wp_tag_file_format.pdf). For additional information about the bulk upload process, refer to Chapter 2, *Workout Prospector Bulk Upload*, in this users' guide.

# Bulk Upload Text File Sample

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## Bulk Upload Text File Sample

F~111111~Aug 20 2012 12:18PM  
H~FM~111111111~1.0  
ArrearsData\_LNMDTRM\_amt\_paymt\_arr=1000.00  
ArrearsData\_LNMDTRM\_amt\_bkrpty\_fee=1000.00  
ArrearsData\_LNMDTRM\_amt\_escrw\_adv=7000.00  
ArrearsData\_LNMDTRM\_amt\_fcl\_fee=2000.00  
ArrearsData\_LNMDTRM\_amt\_int\_arr=1000.00  
ArrearsData\_LNMDTRM\_amt\_othr\_cst=2000.00  
BorrAssetData\_BOPF1N\_amt\_401k=1000.00  
BorrAssetData\_BOPF1N\_amt\_autmbl\_1=1000.00  
BorrAssetData\_BOPF1N\_amt\_chckng=2000.00  
BorrAssetData\_BOPF1N\_amt\_ira=1000.00  
BorrAssetData\_BOPF1N\_amt\_othr\_dbt=1000.00  
BorrAssetData\_BOPF1N\_amt\_othr\_re=1000.00  
BorrAssetData\_BOPF1N\_amt\_persl\_ppty=1500.00  
BorrAssetData\_BOPF1N\_amt\_prim\_home=1000.00  
BorrAssetData\_BOPF1N\_amt\_stock\_bond=1000.00  
BorrAssetData\_BOPF1N\_amt\_svngs=3000.00  
BorrAssetData\_BOPF2N\_amt\_401k=1000.00  
BorrAssetData\_BOPF2N\_amt\_autmbl\_1=1000.00  
BorrAssetData\_BOPF2N\_amt\_chckng=2000.00  
BorrAssetData\_BOPF2N\_amt\_ira=1000.00  
BorrAssetData\_BOPF2N\_amt\_othr\_dbt=1000.00  
BorrAssetData\_BOPF2N\_amt\_othr\_re=1000.00  
BorrAssetData\_BOPF2N\_amt\_persl\_ppty=1000.00  
BorrAssetData\_BOPF2N\_amt\_prim\_home=1000.00  
BorrAssetData\_BOPF2N\_amt\_stock\_bond=1500.00  
BorrAssetData\_BOPF2N\_amt\_svngs=1000.00  
BorrExpenseData\_BOPF1N\_amt\_autmbl\_loan\_1=1000.00  
BorrExpenseData\_BOPF1N\_amt\_car\_maint=355.00  
BorrExpenseData\_BOPF1N\_amt\_child\_care=1000.00  
BorrExpenseData\_BOPF1N\_amt\_cr\_card=1000.00  
BorrExpenseData\_BOPF1N\_amt\_grcry\_tltry=1000.00  
BorrExpenseData\_BOPF1N\_amt\_health\_ins=1000.00  
BorrExpenseData\_BOPF1N\_amt\_htg\_electrcy=1000.00

## Bulk Upload Text File Sample

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BorrExpenseData\_BOPF1N\_amt\_ins=1000.00  
BorrExpenseData\_BOPF1N\_amt\_medcl\_expns=1000.00  
BorrExpenseData\_BOPF1N\_amt\_othr=1000.00  
BorrExpenseData\_BOPF1N\_amt\_othr\_mrtg=1000.00  
BorrExpenseData\_BOPF1N\_amt\_ppty\_maint=1000.00  
BorrExpenseData\_BOPF1N\_amt\_re\_tax=1000.00  
BorrExpenseData\_BOPF1N\_amt\_utly=1000.00  
BorrIncomeData\_BOPF1N\_amt\_401k\_othr\_svng=1000.00  
BorrIncomeData\_BOPF1N\_amt\_alimony\_rcvd=1000.00  
BorrIncomeData\_BOPF1N\_amt\_disablty=1000.00  
BorrIncomeData\_BOPF1N\_amt\_fed\_incm\_tax=1000.00  
BorrIncomeData\_BOPF1N\_amt\_gr\_ppty\_rnt=1000.00  
BorrIncomeData\_BOPF1N\_amt\_laundry\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_othr\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_othr\_ppty\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_prkng\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_unemplmt\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_401k\_othr\_svng=1000.00  
BorrIncomeData\_BOPF2N\_amt\_alimony\_rcvd=1000.00  
BorrIncomeData\_BOPF2N\_amt\_disablty=1000.00  
BorrIncomeData\_BOPF2N\_amt\_fed\_incm\_tax=1000.00  
BorrIncomeData\_BOPF2N\_amt\_gr\_ppty\_rnt=1000.00  
BorrIncomeData\_BOPF2N\_amt\_gr\_sal\_wage=1000.00  
BorrIncomeData\_BOPF2N\_amt\_laundry\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_othr\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_othr\_ppty\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_prkng\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_unemplmt\_incm=1000.00  
BorrInfoData\_BORR\_addr\_city=XXXXXX  
BorrInfoData\_BORR\_addr\_st=XX  
BorrInfoData\_BORR\_addr\_strt=XXXXXX  
BorrInfoData\_BORR\_addr\_zip=99999  
BorrInfoData\_BORR\_cd\_drvr\_licns\_st=XX  
BorrInfoData\_BORR\_cnt\_autmbl=1  
BorrInfoData\_BORR\_cnt\_chldrn\_daycare=1  
BorrInfoData\_BORR\_cnt\_in\_hsehold=3  
BorrInfoData\_BORR\_flag\_new\_borr=Y

## Bulk Upload Text File Sample

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BorrInfoData\_BORR\_name\_borr\_first=  
BorrInfoData\_BORR\_name\_borr\_lst=  
BorrInfoData\_BORR\_nbr\_borr\_ssn=999999999  
BorrInfoData\_BORR\_nbr\_drvr\_licns=1234  
BorrInfoData\_BORR\_nbr\_ph\_borr\_daytm=1111111111  
BorrInfoData\_BORR\_nbr\_ph\_borr\_evng=1111111111  
BorrInfoData\_BORR\_text\_best\_tm\_call=5:00 PM  
BorrInfoData\_BORR\_text\_ltr\_sltn=Mr.  
BorrInfoData\_COBORR1\_addr\_city=XXXXX  
BorrInfoData\_COBORR1\_addr\_st=XX  
BorrInfoData\_COBORR1\_addr\_strt=XXXXXXXXX  
BorrInfoData\_COBORR1\_addr\_zip=99999  
BorrInfoData\_COBORR1\_cd\_drvr\_licns\_st=XX  
BorrInfoData\_COBORR1\_name\_borr\_first=XXXXX  
BorrInfoData\_COBORR1\_name\_borr\_lst=XXXXXXXXX  
BorrInfoData\_COBORR1\_nbr\_borr\_ssn=111111111  
BorrInfoData\_COBORR1\_nbr\_drvr\_licns=1234  
BorrInfoData\_COBORR1\_nbr\_ph\_borr\_daytm=1111111111  
BorrInfoData\_COBORR1\_nbr\_ph\_borr\_evng=1111111111  
BorrInfoData\_COBORR1\_nbr\_ph\_extn\_daytm=123  
ContribData\_LNMDTRM\_amt\_bor\_cash\_ctrbn=1000.00  
ContribData\_LNMDTRM\_amt\_clsg\_cst=1000.00  
ContribData\_LNMDTRM\_amt\_fm\_ctrbtn\_rpr=1000.00  
ContribData\_LNMDTRM\_amt\_n\_nt\_ctrbn\_adv=1000.00  
ContribData\_LNMDTRM\_amt\_note\_ctrbn\_adv=1000.00  
ContribData\_LNMDTRM\_amt\_sba\_prtl\_ctrbn=1000.00  
CntctData\_WKMDL\_nbr\_svcr\_ln=556677  
CntctData\_BRKATYLB\_name\_brkr\_atty=XXXX  
CntctData\_BRKATYLB\_nbr\_ph=1111111111  
CntctData\_BRKATYLB\_nbr\_ph\_extn=1234  
HudData\_SHRT\_amt\_payf\_frst\_mrtg=1000.00  
LoanData\_BOPF1N\_amt\_ppty\_pi=100.00  
LoanData\_BOPF1N\_amt\_ppty\_re\_tax=100.00  
LoanData\_BOPF1N\_amt\_ppty\_haz\_ins=100.00  
LoanData\_BOPF1N\_amt\_mrtg\_ins=100.00  
LoanData\_WKMDL\_amt\_sec\_lien\_upb=1000.00  
LoanData\_WKMDL\_amt\_upb=5678.00

## Bulk Upload Text File Sample

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LoanData\_WKMDL\_code\_hrdshp\_rsn=Z  
LoanData\_WKMDL\_dt\_ddlpi=01-01-2000  
LoanData\_WKMDL\_dt\_fcl\_beg=01-01-2000  
LoanData\_WKMDL\_dt\_fcl\_schedd\_sle=01-01-2000  
LoanData\_WKMDL\_dt\_mty=01-01-2000  
LoanData\_WKMDL\_flag\_borr\_rqst=N  
LoanData\_WKMDL\_id\_mi\_co=001  
LoanData\_WKMDL\_name\_sec\_lien\_co=XXXXXX  
LoanData\_WKMDL\_name\_seclien\_cntct=XXXXXX  
LoanData\_WKMDL\_nbr\_mi\_cert=123456  
LoanData\_WKMDL\_nbr\_ph\_extn\_sec=123  
LoanData\_WKMDL\_nbr\_ph\_fax\_sec=111111111  
LoanData\_WKMDL\_nbr\_ph\_sec=111111111  
LoanData\_WKMDL\_pct\_mi=9  
LoanData\_WKMDL\_rate\_any=0.070000  
LoanData\_WKMDL\_rate\_note=0.78  
LoanData\_spec\_second\_rsn=007  
LoanModAltData\_LNMDTRM\_dt\_modtn\_eff=01-01-2000  
LoanModAltData\_LNMDTRM\_flag\_othr\_escrw=N  
LoanModAltData\_LNMDTRM\_pct\_first\_yr\_ovrd=0.089750  
LoanModAltData\_LNMDTRM\_rate\_new\_svcg\_fee=1000.00  
LoanModAltData\_LNMDTRM\_rate\_prem\_svcg\_fee=1000.00  
LoanModAltData\_WKMDL\_flag\_ins\_escrw=Y  
LoanModAltData\_WKMDL\_flag\_othr\_escrw=N  
LoanModAltData\_WKMDL\_flag\_tax\_escrw=N  
PropertyData\_PPTY\_addr\_st=VA  
PropertyData\_PPTY\_addr\_zip=20191  
PropertyData\_PPTY\_amt\_origl\_val=1000.00  
PropertyData\_PPTY\_flag\_condo=N  
PropertyData\_PPTY\_nbr\_of\_units=3  
PropertyData\_SHRT\_amt\_gr\_sls\_prce=190000.00  
PropertyData\_TNT1\_amt\_mol\_rnt=1200.00  
PropertyData\_TNT2\_amt\_mol\_rnt=1000.00  
PropertyData\_TNT3\_amt\_mol\_rnt=1000.00  
PropertyData\_TNT4\_amt\_mol\_rnt=1000.00  
PropertyData\_WKMDL\_amt\_cnclsn\_val=180000.00  
PropertyData\_WKMDL\_amt\_mkt\_rnt=1000.00

## Bulk Upload Text File Sample

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PropertyData\_WKMDL\_cd\_byr\_fing\_type=C  
PropertyData\_WKMDL\_cnt\_age\_of\_ppty=8  
PropertyData\_WKMDL\_cnt\_units\_occpd=2  
PropertyData\_WKMDL\_flag\_arms\_len=Y  
PropertyData\_WKMDL\_flag\_disatr=N  
PropertyData\_WKMDL\_flag\_mls=N  
PropertyData\_WKMDL\_flag\_ownr\_occpd=Y  
PropertyData\_WKMDL\_flag\_tnt\_prob=N  
PropertyData\_WKMDL\_flag\_units\_rntd=N  
RepayData\_FRBRPLN\_dt\_frbnc\_rpymt\_beg=01-01-2000  
BorrIncomeData\_BOPFIN\_amt\_gr\_sal\_wage=105000.00  
BorrInfoData\_BORR\_nbr\_ph\_extn\_daytm=1234  
BorrExpenseData\_BOPFIN\_amt\_hoa\_condo\_fee=245.00  
PropertyData\_PPTY\_addr\_strt=111 XXXXX St  
PropertyData\_PPTY\_addr\_city=Rxxxx  
PropertyData\_WKMDL\_amt\_thrd\_ppty\_val=1234.00  
PropertyData\_WKMDL\_dt\_ctrct=11-11-1999  
PropertyData\_WKMDL\_dt\_ppty\_list\_mls=12-12-2000  
PropertyData\_WKMDL\_cnt\_nbr\_bdrm=3  
PropertyData\_WKMDL\_nbr\_btrm=3  
PropertyData\_TNT1\_name\_tnt=John XXXX  
PropertyData\_TNT1\_nbr\_tnt\_ph=1112223333  
PropertyData\_TNT1\_amt\_past\_due\_rnt=1111.00  
PropertyData\_TNT1\_dt\_lse\_exptn=12-12-2009  
PropertyData\_TNT2\_name\_tnt=Mark XXXX  
PropertyData\_TNT2\_nbr\_tnt\_ph=2223334455  
PropertyData\_TNT2\_amt\_past\_due\_rnt=2222.00  
PropertyData\_TNT2\_dt\_lse\_exptn=12-12-2010  
PropertyData\_TNT3\_name\_tnt=WillXXXX  
PropertyData\_TNT3\_nbr\_tnt\_ph=2223334455  
PropertyData\_TNT3\_amt\_past\_due\_rnt=4422.33  
PropertyData\_TNT3\_dt\_lse\_exptn=09-09-2009  
PropertyData\_TNT4\_name\_tnt=Bill XXXX  
PropertyData\_TNT4\_nbr\_tnt\_ph=703XXXXXXXXX  
PropertyData\_TNT4\_amt\_past\_due\_rnt=3421.11  
PropertyData\_TNT4\_dt\_lse\_exptn=08-08-2009  
LoanData\_WKMDL\_pct\_origl\_ltv=0.80

## Bulk Upload Text File Sample

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LoanData\_WKMDL\_dt\_sec\_lien=12-12-2001  
LoanData\_WKMDL\_rate\_sec\_lien\_int=34  
LoanData\_WKMDL\_amt\_sec\_lien\_paymt=1234.56  
CntctData\_BRKATYLB\_nbr\_fax=7039990000  
CntctData\_BRKATYLB\_addr\_strt=123 XXXX Avenue  
CntctData\_BRKATYLB\_addr\_city=Hometown  
CntctData\_BRKATYLB\_addr\_st=XX  
CntctData\_BRKATYLB\_addr\_zip=00000  
ArrearsData\_LNMDTRM\_amt\_escrw\_shrtg=1111.22  
HampData\_HAMPLNTRMS\_amt\_suspns\_escrw=32423.00  
HampData\_HAMPLNTRMS\_amt\_mol\_escrw\_shrtg\_paymt=12422.00  
HampData\_HAMPLNTRMS\_rate\_fm\_pmms=8.33  
HampData\_HAMPLNTRMS\_dt\_pmms\_rate=07/21/2008  
HampData\_HAMPLNTRMS\_dt\_hamp\_eval=06/11/2008  
HampData\_HAMPLNTRMS\_amt\_all\_othr\_mol\_expns=65434.00  
HampData\_HAMPLNTRMS\_amt\_tot\_mol\_liab=12122.00  
HampData\_HAMPBORRFIN\_nbr\_curr\_fico\_scr=110  
HampData\_HAMPCOBORR1FIN\_nbr\_curr\_fico\_scr=130  
HampData\_HAMPLNTRMS\_dt\_schedd\_1st\_paymt=04/20/2009  
HampData\_HAMPLNTRMS\_amt\_pch\_upb=23422.00  
HampData\_HAMPLNTRMS\_rate\_nxt\_arm\_rset=5.8  
HampData\_HAMPLNTRMS\_dt\_nxt\_rtadj\_eff=08/11/2008  
HampData\_HAMPLNTRMS\_amt\_loan\_modtn\_fee=34433.00  
HampData\_HAMPLNTRMS\_amt\_mi\_prtl\_clm=23444.00  
HampData\_HAMPLNTRMS\_nbr\_imnnt\_dflt\_cr\_scr=1  
HampData\_HAMPLNTRMS\_rate\_origl\_int=7.1  
HampData\_HAMPLNTRMS\_cnt\_origl\_amtn\_term=60  
HampData\_HAMPLNTRMS\_cnt\_remg\_term\_mo=36  
HampData\_HAMPLNTRMS\_dt\_note\_orign=07/07/2008  
HampData\_HAMPLNTRMS\_cd\_dlp=LP  
HampData\_HAMPLNTRMS\_amt\_actl\_escrw\_shrtg=21435.00  
HampData\_BOPF1N\_amt\_mol\_gr\_incm=6700.00  
HampData\_BOPF2N\_amt\_mol\_gr\_incm=7800.00  
HampData\_BOPF1N\_amt\_net\_persl\_incm=5400.00  
HampData\_BOPF2N\_amt\_net\_persl\_incm=5900.00  
HampData\_HAMPBORRFIN\_amt\_mol\_gr\_unemplmt\_incm=1122.00  
HampData\_HAMPCOBORR1FIN\_amt\_mol\_gr\_unemplmt\_incm=2233.00

## Bulk Upload Text File Sample

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HampData\_HAMPLNTRMS\_amt\_trsy\_npv\_modtn=23443.00  
HampData\_HAMPLNTRMS\_amt\_trsy\_npv\_curr=13244.00  
HampData\_HAMPLNTRMS\_dt\_trsy\_npv\_mdl\_run=08/12/2008  
HampData\_HAMPLNTRMS\_cd\_hamp\_phase\_sts=1  
HampData\_HAMPIMDFLTRSN\_cd\_hamp\_imnnt\_dflt\_hrdshp\_rsn=001  
StandardMod\_WKMDL\_cd\_borr\_ocpncy\_sts=01  
StandardMod\_HAMPLNTRMS\_ind\_ppty\_vcncy=Y  
StandardMod\_WKMDL\_cd\_ppty\_cond=02  
StandardMod\_HAMPLNTRMS\_dt\_borr\_pkg\_rcvd=10/15/2011  
StandardMod\_HAMPLNTRMS\_dt\_wrkot\_dcsn=10/25/2011  
SSS\_BORRFINL\_amt\_tot\_mol\_hsehold\_incm=20000  
SSS\_BORRFINL\_amt\_tot\_nrrmt\_liqd\_ast=40000  
SSS\_BOPF1N\_dt\_fico\_scr=03/02/2012  
SSS\_BOPF2N\_dt\_fico\_scr=05/04/2012  
SSS\_WKMDL\_cd\_std\_hrdshp\_rsn=5  
SSS\_BORRFINL\_rate\_bk\_end\_dbt\_to\_incm=0.5  
T~1  
F~000000~Aug 20 2012 12:18PM  
H~FM~1000000000~1.0  
ArrearsData\_LNMDTRM\_amt\_paymt\_arr=1000.00  
ArrearsData\_LNMDTRM\_amt\_bkrpty\_fee=1000.00  
ArrearsData\_LNMDTRM\_amt\_escrw\_adv=7000.00  
ArrearsData\_LNMDTRM\_amt\_fcl\_fee=1000.00  
ArrearsData\_LNMDTRM\_amt\_int\_arr=1000.00  
ArrearsData\_LNMDTRM\_amt\_othr\_cst=2000.00  
BorrAssetData\_BOPF1N\_amt\_401k=1000.00  
BorrAssetData\_BOPF1N\_amt\_autmbl\_1=1000.00  
BorrAssetData\_BOPF1N\_amt\_chckng=1000.00  
BorrAssetData\_BOPF1N\_amt\_ira=1000.00  
BorrAssetData\_BOPF1N\_amt\_othr\_dbt=1000.00  
BorrAssetData\_BOPF1N\_amt\_othr\_re=1000.00  
BorrAssetData\_BOPF1N\_amt\_persl\_ppty=1000.00  
BorrAssetData\_BOPF1N\_amt\_prim\_home=1000.00  
BorrAssetData\_BOPF1N\_amt\_stock\_bond=1000.00  
BorrAssetData\_BOPF1N\_amt\_svngs=1000.00  
BorrAssetData\_BOPF2N\_amt\_401k=1000.00  
BorrAssetData\_BOPF2N\_amt\_autmbl\_1=1000.00

## Bulk Upload Text File Sample

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BorrAssetData\_BOPF2N\_amt\_chckng=1000.00  
BorrAssetData\_BOPF2N\_amt\_ira=1000.00  
BorrAssetData\_BOPF2N\_amt\_othr\_dbt=1000.00  
BorrAssetData\_BOPF2N\_amt\_othr\_re=1000.00  
BorrAssetData\_BOPF2N\_amt\_persl\_ppty=1000.00  
BorrAssetData\_BOPF2N\_amt\_prim\_home=1000.00  
BorrAssetData\_BOPF2N\_amt\_stock\_bond=1000.00  
BorrAssetData\_BOPF2N\_amt\_svngs=1000.00  
BorrExpenseData\_BOPF1N\_amt\_autmbl\_loan\_1=1000.00  
BorrExpenseData\_BOPF1N\_amt\_car\_maint=355.00  
BorrExpenseData\_BOPF1N\_amt\_child\_care=1000.00  
BorrExpenseData\_BOPF1N\_amt\_cr\_card=1000.00  
BorrExpenseData\_BOPF1N\_amt\_grcry\_tltry=1000.00  
BorrExpenseData\_BOPF1N\_amt\_health\_ins=1000.00  
BorrExpenseData\_BOPF1N\_amt\_htg\_elctrcty=1000.00  
BorrExpenseData\_BOPF1N\_amt\_ins=1000.00  
BorrExpenseData\_BOPF1N\_amt\_medcl\_expns=1000.00  
BorrExpenseData\_BOPF1N\_amt\_othr=1000.00  
BorrExpenseData\_BOPF1N\_amt\_othr\_mrtg=1000.00  
BorrExpenseData\_BOPF1N\_amt\_ppty\_maint=1000.00  
BorrExpenseData\_BOPF1N\_amt\_re\_tax=1000.00  
BorrExpenseData\_BOPF1N\_amt\_utly=1000.00  
BorrIncomeData\_BOPF1N\_amt\_401k\_othr\_svng=1000.00  
BorrIncomeData\_BOPF1N\_amt\_alimony\_rcvd=1000.00  
BorrIncomeData\_BOPF1N\_amt\_disablty=1000.00  
BorrIncomeData\_BOPF1N\_amt\_fed\_incm\_tax=1000.00  
BorrIncomeData\_BOPF1N\_amt\_gr\_ppty\_rnt=1000.00  
BorrIncomeData\_BOPF1N\_amt\_laundry\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_othr\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_othr\_ppty\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_prkng\_incm=1000.00  
BorrIncomeData\_BOPF1N\_amt\_unemplmt\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_401k\_othr\_svng=1000.00  
BorrIncomeData\_BOPF2N\_amt\_alimony\_rcvd=1000.00  
BorrIncomeData\_BOPF2N\_amt\_disablty=1000.00  
BorrIncomeData\_BOPF2N\_amt\_fed\_incm\_tax=1000.00  
BorrIncomeData\_BOPF2N\_amt\_gr\_ppty\_rnt=1000.00

## Bulk Upload Text File Sample

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BorrIncomeData\_BOPF2N\_amt\_gr\_sal\_wage=1000.00  
BorrIncomeData\_BOPF2N\_amt\_laundry\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_othr\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_othr\_ppty\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_prkng\_incm=1000.00  
BorrIncomeData\_BOPF2N\_amt\_unemplmt\_incm=1000.00  
BorrInfoData\_BORR\_addr\_city=XXXXXX  
BorrInfoData\_BORR\_addr\_st=XX  
BorrInfoData\_BORR\_addr\_strt=XXXXXX  
BorrInfoData\_BORR\_addr\_zip=99999  
BorrInfoData\_BORR\_cd\_drvr\_licns\_st=XX  
BorrInfoData\_BORR\_cnt\_autmbl=1  
BorrInfoData\_BORR\_cnt\_chldrn\_daycare=1  
BorrInfoData\_BORR\_cnt\_in\_hsehold=3  
BorrInfoData\_BORR\_flag\_new\_borr=Y  
BorrInfoData\_BORR\_name\_borr\_first=XXXX  
BorrInfoData\_BORR\_name\_borr\_lst=XXXXXX  
BorrInfoData\_BORR\_nbr\_borr\_ssn=999999999  
BorrInfoData\_BORR\_nbr\_drvr\_licns=1234  
BorrInfoData\_BORR\_nbr\_ph\_borr\_daytm=1111111111  
BorrInfoData\_BORR\_nbr\_ph\_borr\_evng=1111111111  
BorrInfoData\_BORR\_text\_best\_tm\_call=5:00 PM  
BorrInfoData\_BORR\_text\_ltr\_sltn=Mr.  
BorrInfoData\_COBORR1\_addr\_city=XXXXXX  
BorrInfoData\_COBORR1\_addr\_st=XX  
BorrInfoData\_COBORR1\_addr\_strt=XXXXXXXXX  
BorrInfoData\_COBORR1\_addr\_zip=99999  
BorrInfoData\_COBORR1\_cd\_drvr\_licns\_st=XX  
BorrInfoData\_COBORR1\_name\_borr\_first=XXXXXX  
BorrInfoData\_COBORR1\_name\_borr\_lst=XXXXXXXXX  
BorrInfoData\_COBORR1\_nbr\_borr\_ssn=111111111  
BorrInfoData\_COBORR1\_nbr\_drvr\_licns=1234  
BorrInfoData\_COBORR1\_nbr\_ph\_borr\_daytm=1111111111  
BorrInfoData\_COBORR1\_nbr\_ph\_borr\_evng=1111111111  
BorrInfoData\_COBORR1\_nbr\_ph\_extn\_daytm=123  
ContribData\_LNMDTRM\_amt\_bor\_cash\_ctrbn=1000.00  
ContribData\_LNMDTRM\_amt\_clsg\_cst=1000.00

## Bulk Upload Text File Sample

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ContribData\_LNMDTRM\_amt\_fm\_ctrbtn\_rpr=1000.00  
ContribData\_LNMDTRM\_amt\_n\_nt\_ctrbn\_adv=1000.00  
ContribData\_LNMDTRM\_amt\_note\_ctrbn\_adv=1000.00  
ContribData\_LNMDTRM\_amt\_sba\_prtl\_ctrbn=1000.00  
CntctData\_WKMDL\_nbr\_svcr\_ln=556677  
CntctData\_BRKATYLB\_name\_brkr\_atty=XXXX  
CntctData\_BRKATYLB\_nbr\_ph=111111111  
CntctData\_BRKATYLB\_nbr\_ph\_extn=1234  
HudData\_SHRT\_amt\_payf\_frst\_mrtg=1000.00  
LoanData\_BOPF1N\_amt\_ppty\_pi=100.00  
LoanData\_BOPF1N\_amt\_ppty\_re\_tax=100.00  
LoanData\_BOPF1N\_amt\_ppty\_haz\_ins=100.00  
LoanData\_BOPF1N\_amt\_mrtg\_ins=100.00  
LoanData\_WKMDL\_amt\_sec\_lien\_upb=1000.00  
LoanData\_WKMDL\_amt\_upb=5678.00  
LoanData\_WKMDL\_code\_hrdshp\_rsn=Z  
LoanData\_WKMDL\_dt\_ddlpi=01-01-2000  
LoanData\_WKMDL\_dt\_fcl\_beg=01-01-2000  
LoanData\_WKMDL\_dt\_fcl\_schedd\_sle=01-01-2000  
LoanData\_WKMDL\_dt\_mty=01-01-2000  
LoanData\_WKMDL\_flag\_borr\_rqst=N  
LoanData\_WKMDL\_id\_mi\_co=001  
LoanData\_WKMDL\_name\_sec\_lien\_co=XXXXXX  
LoanData\_WKMDL\_name\_seclien\_cntct=XXXXXX  
LoanData\_WKMDL\_nbr\_mi\_cert=123456  
LoanData\_WKMDL\_nbr\_ph\_extn\_sec=123  
LoanData\_WKMDL\_nbr\_ph\_fax\_sec=111111111  
LoanData\_WKMDL\_nbr\_ph\_sec=111111111  
LoanData\_WKMDL\_pct\_mi=9  
LoanData\_WKMDL\_rate\_any=0.070000  
LoanData\_WKMDL\_rate\_note=0.78  
LoanData\_spec\_second\_rsn=007  
LoanModAltData\_LNMDTRM\_dt\_modtn\_eff=01-01-2000  
LoanModAltData\_LNMDTRM\_flag\_othr\_escrw=N  
LoanModAltData\_LNMDTRM\_pct\_first\_yr\_ovrd=0.089750  
LoanModAltData\_LNMDTRM\_rate\_new\_svcg\_fee=1000.00  
LoanModAltData\_LNMDTRM\_rate\_prem\_svcg\_fee=1000.00

## Bulk Upload Text File Sample

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LoanModAltData\_WKMDL\_flag\_ins\_escrw=Y  
LoanModAltData\_WKMDL\_flag\_othr\_escrw=N  
LoanModAltData\_WKMDL\_flag\_tax\_escrw=N  
PropertyData\_PPTY\_addr\_st=VA  
PropertyData\_PPTY\_addr\_zip=20191  
PropertyData\_PPTY\_amt\_origl\_val=1000.00  
PropertyData\_PPTY\_flag\_condo=N  
PropertyData\_PPTY\_nbr\_of\_units=3  
PropertyData\_SHRT\_amt\_gr\_sls\_prce=190000.00  
PropertyData\_TNT1\_amt\_mol\_rnt=1000.00  
PropertyData\_TNT2\_amt\_mol\_rnt=1000.00  
PropertyData\_TNT3\_amt\_mol\_rnt=1000.00  
PropertyData\_TNT4\_amt\_mol\_rnt=1000.00  
PropertyData\_WKMDL\_amt\_cnclsn\_val=180000.00  
PropertyData\_WKMDL\_amt\_mkt\_rnt=1000.00  
PropertyData\_WKMDL\_cd\_byr\_fing\_type=C  
PropertyData\_WKMDL\_cnt\_age\_of\_ppty=8  
PropertyData\_WKMDL\_cnt\_units\_occpd=2  
PropertyData\_WKMDL\_flag\_arms\_len=Y  
PropertyData\_WKMDL\_flag\_disatr=N  
PropertyData\_WKMDL\_flag\_mls=N  
PropertyData\_WKMDL\_flag\_ownr\_occpd=Y  
PropertyData\_WKMDL\_flag\_tnt\_prob=N  
PropertyData\_WKMDL\_flag\_units\_rntd=N  
RepayData\_FRBRPLN\_dt\_frbnc\_rpymt\_beg=01-01-2000  
BorrIncomeData\_BOPF1N\_amt\_gr\_sal\_wage=105000.00  
BorrInfoData\_BORR\_nbr\_ph\_extn\_daytm=1234  
BorrExpenseData\_BOPF1N\_amt\_hoa\_condo\_fee=245.00  
PropertyData\_PPTY\_addr\_strt=111 XXXXXX St  
PropertyData\_PPTY\_addr\_city=XXXXXX  
PropertyData\_WKMDL\_amt\_thrd\_ppty\_val=1234.00  
PropertyData\_WKMDL\_dt\_ctrct=11-11-1999  
PropertyData\_WKMDL\_dt\_ppty\_list\_mls=12-12-2000  
PropertyData\_WKMDL\_cnt\_nbr\_bdrm=3  
PropertyData\_WKMDL\_nbr\_btrm=3  
PropertyData\_TNT1\_name\_tnt=John XXXXXX  
PropertyData\_TNT1\_nbr\_tnt\_ph=0000000000

## Bulk Upload Text File Sample

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PropertyData\_TNT1\_amt\_past\_due\_rnt=1111.00  
PropertyData\_TNT1\_dt\_lse\_exptn=12-12-2009  
PropertyData\_TNT2\_name\_tnt=Mark XXXX  
PropertyData\_TNT2\_nbr\_tnt\_ph=2223334455  
PropertyData\_TNT2\_amt\_past\_due\_rnt=2222.00  
PropertyData\_TNT2\_dt\_lse\_exptn=12-12-2010  
PropertyData\_TNT3\_name\_tnt=Will XXXXXX  
PropertyData\_TNT3\_nbr\_tnt\_ph=2223334455  
PropertyData\_TNT3\_amt\_past\_due\_rnt=4422.33  
PropertyData\_TNT3\_dt\_lse\_exptn=09-09-2009  
PropertyData\_TNT4\_name\_tnt=Bill XXXXX  
PropertyData\_TNT4\_nbr\_tnt\_ph=7031221222  
PropertyData\_TNT4\_amt\_past\_due\_rnt=3421.11  
PropertyData\_TNT4\_dt\_lse\_exptn=08-08-2009  
LoanData\_WKMDL\_pct\_origl\_ltv=0.80  
LoanData\_WKMDL\_dt\_sec\_lien=12-12-2001  
LoanData\_WKMDL\_rate\_sec\_lien\_int=34  
LoanData\_WKMDL\_amt\_sec\_lien\_paymt=1234.56  
CntctData\_BRKATYLB\_nbr\_fax=7039990000  
CntctData\_BRKATYLB\_addr\_strt=123 XXXXXXXXX Avenue  
CntctData\_BRKATYLB\_addr\_city=Hometown  
CntctData\_BRKATYLB\_addr\_st=XX  
CntctData\_BRKATYLB\_addr\_zip=00000  
ArrearsData\_LNMDTRM\_amt\_escrw\_shrtg=1111.22  
HampData\_HAMPLNTRMS\_amt\_suspns\_escrw=32423.00  
HampData\_HAMPLNTRMS\_amt\_mol\_escrw\_shrtg\_paymt=12422.00  
HampData\_HAMPLNTRMS\_rate\_fm\_pmms=8.33  
HampData\_HAMPLNTRMS\_dt\_pmms\_rate=07/21/2008  
HampData\_HAMPLNTRMS\_dt\_hamp\_eval=06/11/2008  
HampData\_HAMPLNTRMS\_amt\_all\_othr\_mol\_expns=65434.00  
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HampData\_HAMPBORRFIN\_nbr\_curr\_fico\_scr=110  
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HampData\_HAMPLNTRMS\_dt\_schedd\_1st\_paymt=04/20/2009  
HampData\_HAMPLNTRMS\_amt\_pch\_upb=23422.00  
HampData\_HAMPLNTRMS\_rate\_nxt\_arm\_rset=5.8  
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## Bulk Upload Text File Sample

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HampData\_HAMPLNTRMS\_amt\_loan\_modtn\_fee=34433.00  
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HampData\_HAMPLNTRMS\_nbr\_imnnt\_dflt\_cr\_scr=1  
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HampData\_BOPF2N\_amt\_mol\_gr\_incm=7800.00  
HampData\_BOPF1N\_amt\_net\_persl\_incm=5400.00  
HampData\_BOPF2N\_amt\_net\_persl\_incm=5900.00  
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HampData\_HAMPCOBORR1FIN\_amt\_mol\_gr\_unemplmt\_incm=2233.00  
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StandardMod\_HAMPLNTRMS\_ind\_ppty\_vcncy=Y  
StandardMod\_WKMDL\_cd\_ppty\_cond=02  
StandardMod\_HAMPLNTRMS\_dt\_borr\_pkg\_rcvd=10/15/2011  
StandardMod\_HAMPLNTRMS\_dt\_wrkot\_dcsn=10/25/2011  
SSS\_BORRFINL\_amt\_tot\_mol\_hsehold\_incm=20000  
SSS\_BORRFINL\_amt\_tot\_nrrtrmt\_liqd\_ast=40000  
SSS\_BOPF1N\_dt\_fico\_scr=03/02/2012  
SSS\_BOPF2N\_dt\_fico\_scr=05/04/2012  
SSS\_WKMDL\_cd\_std\_hrdshp\_rsn=5  
SSS\_BORRFINL\_rate\_bk\_end\_dbt\_to\_incm=0.5  
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T~1