



# MI Industry Workout Reporting Template FAQs

Revised: March 26, 2012

On October 24, 2011, the MI industry announced a common template to report servicer workout information. [This document is an update to the related FAQs that were released on December 15, 2011. Updates made to this version of the FAQs are noted in blue and updates to the attached MI Industry Workout Reporting template are noted in red.](#)

## 1. When do servicers need to start using the new MI Industry Workout Reporting Template?

Although servicers can start using this template immediately, all servicers must begin using the new template starting with the **March** reporting cycle (report delivered in **April**). Regardless of when use of the template begins, servicers must continue to provide all existing workout reports until the MI Companies notify you that the existing reports are no longer needed.

## 2. Do I need to wait for every MI Company's approval before ending existing reports?

No, each MI Company will have a separate approval process. Each company will provide guidance on when you can stop providing existing workout reports to their company.

## 3. Which loans need to be included on the report?

Servicers can select one of the following options when populating this report. For operational efficiency you must notify the MI companies should you choose to convert to another option.

- Option 1: The report includes all delinquent loans plus performing loans that had workout activity (including collection repayment plans) during the reporting period (prior month).

E.g. Servicer has 1,000 delinquent loans that are insured by one of the MI companies and 25 performing loans that had workout activity during the month of October; the November report should have 1,025 loans on it.

- Option 2: The report includes all active (in-force) loans insured by a MI company. The report will include both performing and delinquent loans. This option was not originally included in the October 24, 2011 announcement. Several large servicers have indicated that this would be their preference, thus we are adding this option. The advantage of this option is that there is no need to filter the loan population by delinquency or workout status.

E.g. Servicer has 20,000 in-force insured primary-only loans, 300 pool-only loans, and 100 loans with both primary and pool; the report would include 20,400 rows of data.



## 4. If I select Option 2 will it impact other values in the report?

Yes, there is one additional option for the **Removal Code (column M)**. Because Option 2 provides reporting on all in-force loans, you will now need to account for performing loans.

### Codes for Option 2 (Full Portfolio) Report

<blank> = Performing Loan

00 = Delinquent Loan

01 = Reinstated - Loan brought current

02 = Assumed

03 = Sold (or Charge Off)

04 = Paid in Full – NOT REO

05 = Claim Paid

99 = MI coverage terminated



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### 5. How often and when do I need to deliver the report?

The report is generated on a monthly basis and must be delivered to the MI companies by the 7<sup>th</sup> business day of the following month. Think of it as a monthly update report; the MI companies want to see the status of every delinquent loan plus performing loans in a workout status (Option 1) or all in-force loans (Option 2) that they insure on the report and the most recent workout activity for those loans as of the end of each month.

### 6. What is the preferred delivery format?

The preferred format is Microsoft Excel. We are also able to accept a vertical bar (pipe) delimited file. A comma-separated (CSV) file is not acceptable as many text values may have commas in the data.

### 7. Do you need Servicer City and Sub-Servicer City; I don't see them in the template?

Yes, unfortunately Servicer City and Sub-Servicer City are missing from the template dated October 13, 2011. We have added these data elements to the revised template dated December 15, 2011. Since many servicers are already working on developing their reports we have added these two columns to the end of the report (columns ER and ES). The template has been updated and is available at

<http://www.pmi-us.com/media/pdf/servicers/MIWorkoutRptIns.xls>

### 8. What are the definitions of the various Workout Statuses (Column CP)?

|   |  |
|---|--|
| 1 | <b>Under Review</b> - The servicer has received a request for a workout and is evaluating the request.   |
| 2 | <b>Approved</b> - The servicer has approved a request for a workout; the workout has not yet been executed.  |
| 3 | <b>Closed</b> - The servicer has executed the workout (all documents have been signed, executed and/or recorded, and all requirements have been fulfilled) |
| 4 | <b>Denied</b> - The servicer has denied a request for a workout.   |
| 5 | <b>Failed</b> - The borrower has failed to comply with the terms of a previously closed retention workout.   |
| 6 | <b>Cancelled</b> - The servicer and/or borrower have cancelled the request for a workout.  |

Please note the change in the definition of a Closed workout. Trial Modification Forbearances should be reported when the trial is effective. The template has been updated and is available at

<http://www.pmi-us.com/media/pdf/servicers/MIWorkoutRptIns.xls>

### 9. How do the various dates relate to each other for each of the workout types on an executed workout?

| Workout Type         | Major data elements          | Definition   | Example                       |
|----------------------|------------------------------|--|-------------------------------|
| Standard Forbearance | Workout Status (CP):         | Closed   | 3                             |
|                      | Workout Approved Date (CT):  | Date on which the forbearance was approved by all parties  | 10/1/11                       |
|                      | Workout Close Date (CW):     | Date on which all required documents for the forbearance have been signed, executed and/or recorded in order to finalize, or make the subject workout official | 10/15/11                      |
|                      | Workout Effective Date (CX): | 1st skipped or partial payment due date under the plan   | 11/1/11                       |
|                      | Plan Start Date (EM):        | First payment due date under the forbearance plan  | 11/1/11                       |
|                      | Plan End Date (EN):          | The last installment due date under the forbearance plan   | 2/1/11<br>(4 mo. forbearance) |



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| Workout Type                   | Major data elements                     | Definition   | Example                        |
|--------------------------------|---|--|--------------------------------|
| Payment Plan                   | Workout Status (CP):                    | Closed   | 3                              |
|                                | Workout Approved Date (CT):             | Date on which the payment plan was approved by all parties   | 9/1/11                         |
|                                | Workout Close Date (CW):                | Date on which all required documents for the payment plan have been signed, executed and/or recorded in order to finalize, or make the subject workout official  | 9/15/11                        |
|                                | Workout Effective Date (CX):            | First payment due under the plan   | 10/1/11                        |
|                                | Plan Start Date (EM):                   | First payment due date under the payment plan  | 10/1/11                        |
|                                | Plan End Date (EN):                     | The last installment due date under the payment plan   | 4/1/12<br>(6 mo. payment plan) |
| Trial Modification Forbearance | Workout Status (CP):                    | Closed   | 3                              |
|                                | Workout Approved Date (CT):             | Date on which the trial plan was approved by all parties   | 9/1/11                         |
|                                | Workout Close Date (CW):                | Date on which all required documents for the trial plan have been signed, executed and/or recorded in order to finalize, or make the subject workout official  | 9/15/11                        |
|                                | Workout Effective Date (CX):            | 1st payment of trial period  | 10/1/11                        |
|                                | Trial Period Begin Date (EG):           | Date on which the modification trial period began  | 10/1/11                        |
|                                | Trial Period End Date (EI):             | Last installment due date under the modification trial period  | 12/1/11<br>(3 mo. trial)       |
| Loan Modification              | Workout Status (CP):                    | Closed   | 3                              |
|                                | Workout Approved Date (CT):             | Date on which the permanent loan modification was approved by all parties  | 12/5/11                        |
|                                | Workout Close Date (CW):                | Date on which all required documents for the permanent loan modification have been signed, executed and/or recorded in order to finalize, or make the subject workout official                                     | 12/15/11                       |
|                                | Workout Effective Date (CX):            | 1st payment date of the newly modified loan (could be a future date). This would also be the date in which any change in the mortgage insurance coverage under the terms of the modification would go into effect. | 1/1/12                         |
| Pre-foreclosure Sale           | Workout Status (CP):                    | Closed   | 3                              |
|                                | Workout Approved Date (CT):             | Date on which the pre-foreclosure sale was approved by all parties   | 8/31/11                        |
|                                | Workout Effective Date (CX):            | Date the real estate sale closed   | 10/23/11                       |
|                                | Workout Close Date (CW):                | Date on which all required documents for the pre-foreclosure have been signed, executed and/or recorded in order to finalize, or make the subject workout official   | 10/23/11                       |
|                                | Pre-foreclosure Sale Closing Date (DE): | Date of pre-foreclosure sale (i.e. Close of Escrow)  | 10/23/11                       |
| Deed-in-Lieu                   | Workout Status (CP):                    | Closed   | 3                              |
|                                | Workout Approved Date (CT):             | Date on which the deed-in-lieu was approved by all parties   | 9/20/11                        |
|                                | Workout Close Date (CW):                | Date on which all required documents for the deed-in-lieu have been signed, executed and/or recorded in order to finalize, or make the subject workout official  | 10/23/11                       |



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| Workout Type | Major data elements                      | Definition   | Example  |
|--------------|--|--|----------|
|              | Workout Effective Date (CX):             | Date on which the borrower executes the Deed                       | 10/23/11 |
|              | Date Voluntary Conveyance Accepted (DF): | Date on which the servicer accepted title to the subject property. | 10/23/11 |

### 10. Do you have an example of how a loan with a modification that failed looks like on the report over time?

| Month (last day)                | Jan  | Feb                   | Mar                 | Apr                                 | May  | Jun  |
|---------------------------------|--|-----------------------|---------------------|-------------------------------------|--|--|
| Activity                        | Modification request received & review started | Modification approved | Modification Closed | Borrower made 1st payment on 4/1/12 | Borrower failed to make 2nd payment, so are delinquent as of 5/31/12 | Changed workout type to Pre-foreclosure Sale |
| Removal Code (M)                | 00   | 00                    | 01                  |                                     | 00   | 00   |
| Workout Status (CP)             | 1  | 2                     | 3                   |                                     | 5  | 1  |
| Date of Workout Submission (CN) | 1/1/2012                                       | 1/1/2012              | 1/1/2012            |                                     | 1/1/2012   | 6/1/2012                                     |
| Workout Status Date (CQ)        | 1/15/2012                                      | 2/1/2012              | 3/1/2012            |                                     | 5/1/2012   | 6/1/2012                                     |
| Workout Review Start Date (CR)  | 1/15/2012                                      | 1/15/2012             | 1/15/2012           |                                     | 1/15/2012  |  |
| Workout Approval Date (CT)      |  | 2/3/2012              | 2/3/2012            |                                     |  |  |
| Workout Denied Date (CU)        |  |                       |                     |                                     |  |  |
| Workout Failed Date (CV)        |  |                       |                     |                                     | 5/1/2012   |  |
| Workout Close Date (CW)         |  |                       | 3/1/2012            |                                     |  |  |
| Workout Effective Date (CX)     |  |                       | 4/1/2012            |                                     |  |  |

### 11. Do I need to report the workout activity columns for a loan if the Workout Status (CP) did not change from the prior month?

Yes, while the workout information (columns CN through EN) may not change from what was previously reported it should remain on the report. The only exception to this is for Trial Modification Forbearance: the "Borrower current on trial payment (Y/N)" field (EJ) which should be updated on a monthly basis.

### 12. How do I indicate that a loan does not have any workout activity or is performing?

If there is no workout activity or the loan is performing, then columns CN through EN should be blank except the **Workout Program Name (CS)**.

If you are reporting using Option 1 - Use 99 to indicate no workout activity

If you are reporting using Option 2 - Use 99 to indicate no workout activity or the loan is performing

### 13. Regarding workouts, which columns need to be populated if there more than one workout on a loan?

Columns CN through EN pertain to workouts. The file should reflect the most recent workout and only the columns that relate to the *most recent* workout should be completed.

For example, if the most recent workout is a pre-foreclosure sale, but the loan had been previously modified the following columns should be completed:

- Master Workout Info (columns CN – CZ)
- Liquidation Workout Info (columns DA – DF)

### 14. What if the workout status changed more than once during the reporting period?

In the event the workout status changed more than once during the reporting month, please report the *most recent* workout only. The template is designed to have only one line per certificate number.



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For example, if on 10/5/11 the borrower was approved for a loan modification (Workout type = 4, Workout Status = 2), however on 10/25/11 the borrower decided that they wanted to sell the property. The servicer has not yet approved the sale. In this case only the pre-foreclosure sale (Workout type = 5, Workout Status = 1) should be on reflected on the report.

### 15. I don't see my program name on the list for Workout Program Name (CS), what should I do?

The MI industry recognizes that workout programs change, thus this list is not fixed. However, to enable easier processing of the data we have decided to update and enumerate this list. The template has been updated and is available at <http://www.pmi-us.com/media/pdf/servicers/MIWorkoutRptIns.xls>. We will update this list from time to time as needed. If your program name is not yet available, please use 10 (Other – Delinquent) or 11 (Other-Performing).

Recognizing that there are custom programs by servicer or MI Company that will require a program number, some of the numbers have been reserved for this purpose. If this applies to a program for your company, you will be notified with which code to use. The following program codes have been reserved for the following groups:

- 1 through 99 – Apply to all MI companies
- 100's – Essent custom programs
- 200's - Genworth custom programs
- 300's – MGIC custom programs
- 400's – PMI custom programs
- 500's – Radian custom programs
- 600's – RMIC custom programs
- 700's – United Guaranty custom programs
- 800's – Triad custom programs

The template has been updated to show the numeric program codes that apply to all servicers:



|    |  |
|----|--|
| 1  | HAMP (GSE or non-GSE)  |
| 2  | HAMP PRA   |
| 3  | <a href="#">Unemployment Forbearance (includes HAMP &amp; other unemployment forbearance programs)</a> |
| 4  | HAFAs  |
| 5  | Fannie Mae Mod   |
| 6  | Freddie Mac Standard Mod   |
| 9  | Proprietary Mod  |
| 10 | Other – Delinquent   |
| 11 | Other – Performing (with a workout)  |
| 12 | <a href="#">Hardest Hit Funds</a>  |
| 13 | <a href="#">Servicemembers Civil Relief Act</a>  |
| 14 | <a href="#">Emergency Homeowners' Loan Program</a>   |
| 99 | Performing or no workout in process  |

### 16. When is a loan removed from the report?

#### Option 1 reporting (delinquent & loans in workout status):

- Delinquent loans - in the month following the delinquency cure. Loans with a liquidation workout should remain on the report until the month following the claim settlement.



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E.g. Loan cures or claim is settled in September, include the loan on the report delivered in October and remove it from the report delivered in November.

- Performing loans with a workout – in the month following a closed workout.

E.g. Loan modification is effective in September, include workout in October report, but remove from the November report.

### Option 2 reporting (all in-force loans – performing or delinquent):

- Loans will only be removed from the report if they are no longer in-force due to cancellation or claim settlement.

### 17. What if a loan has both primary and pool with the same MI Company, should the loan be on the same row or different rows?

If a loan has both primary and pool coverage with the same MI Company, then the information can reside on one row. The row must contain the Primary Certificate Number (C), Contract ID (D) if applicable, and the Pool Certificate Number (E).



### 18. When are we required to complete the Sub-Servicer fields (AT through BA)?

These fields are only required if the sub-servicer is not responsible for reporting to the MI companies. In this case the primary servicer would report the loan and complete these fields to indicate that there is a sub-servicer or special servicer involved with the servicing activities for that loan.

### 19. Which Workout Type (CO) do I use for the various Unemployment Forbearance programs?

Use “1” for all unemployment forbearance programs. See below for the updated definition:

Select from one of the following values (Use numeric code):

- 1 = Standard Forbearance (Traditional or Standard Forbearance, including unemployment forbearance programs)
- 2 = Trial Modification Forbearance (Trial Period Forbearance for HAMP or other Modification with a Trial Period)
- 3 = Payment Plan
- 4 = Loan Modification (Post Trial Period)
- 5 = Pre-Foreclosure Sale
- 6 = Deed-in-Lieu



### 20. The Reason for Delinquency (CA) doesn't have a value for "Other", how do I map items that do not fit in the other categories?

The MI companies would like better insight to the cause for default, thus “Other” was not initially included. It has come to our attention that some of the servicing platforms allow “Other” as an option for this field, so we have added 29 as the numeric value for “Other” to the template. We would like to encourage servicers to provide a more clear Reason for Delinquency if at all possible.

### 21. We are having issues programming the Collections Comments (CC) field due to the number of characters required, special characters, or the look-back period. Can this requirement be modified?

Yes, there were several servicers that provided feedback that this data element was problematic so we have revised the template to better accommodate the programming of this value.

- **Number of Characters Required**

Column CC will remain where it is in the template and will capture the most recent collection comment only. Columns ET through FC have been added to the end of the template and will capture the next most





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recent comments in chronological order (ET – 2nd most recent through FC – 11<sup>th</sup> most recent). This is similar to the requirements in the existing ADR.

- **Special Characters**

In data processing, special characters are problematic. This is especially true if the servicer is delivering a text file (pipe delimited). Please ensure that data in these fields do not contain special characters (e.g. comma or pipe) to ensure that the data is properly converts into columns in Excel or Access. This is similar to the requirements in the existing ADR.

- **Look-back Period**

The look-back period for collection comments can be limited to 5 years.

### 22. I can't report the Workout Status (CP) of a Trial Period Plan as a "Closed" workout, what should I do?

The MI companies will accept either 2 (Approved) or 3 (Closed) as the Workout Status for a Trial Period Plan. All other Workout Types will require that the workout is Closed for it to be recorded as such.

### 23. I don't see a value in Pre-Mod Loan Type (DK) for ARM with negative amortization or Option ARM?

This was an oversight, please add 12 = ARM Neg Am to the available values for this field. The updated values are as follows:

| Existing loan type prior to modification. Select from one of the following values (Use numeric code): |                    |
|---|--------------------|
| 1 = Fixed Rate / Fixed Payment  | 7 = 5+ Year ARM    |
| 2 = 10/1 ARM  | 8 = 7/1 ARM        |
| 3 = 15/1 ARM  | 9 = ARM Pos. Am.   |
| 4 = 3/1 ARM   | 10 = Interest Only |
| 5 = 3/3 ARM   | 11 = Step Rate     |
| 6 = 5/1 ARM   | 12 = ARM Neg. Am.  |



### 24. Is there a preferred naming convention for the files?

The MI companies would like to have a standardize file name so we have added the following naming convention to the template Instructions tab.



|                               |   |
|-------------------------------|---|
| <b>File Naming Convention</b> | <p><b>MICAWorkoutRpt_&lt;ReportingYear&gt;_&lt;ReportingMonth&gt;_&lt;ServicerShortName&gt;_&lt;ReportVersion&gt;_&lt;MasterPolicyNumber&gt;.txt</b></p> <ul style="list-style-type: none"> <li>• <b>MICAWorkoutRpt</b> - This is text that should be consistent on each monthly submissions</li> <li>• <b>ReportingYear</b> - 4 digit numeric to indicate year (e.g. 2012)</li> <li>• <b>ReportingMonth</b> - 2 digit numeric to indicate month (e.g. January would be "01")</li> <li>• <b>ServicerShortName</b> - Abbreviated name for servicer, must be consistent on each monthly submission</li> <li>• <b>ReportVersion</b> - Initial submission would always be "01" however if there is a need to regenerate the same report for a given month this number would be incremented</li> <li>• <b>MasterPolicyNumber</b> – MI Master Policy Number (Note: This may not be required by all MI companies)</li> </ul> |
|-------------------------------|---|



This symbol means that there is change to the MI Industry Workout Reporting Template.

For questions regarding the MI Industry Workout Reporting Template, please contact:

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