

# CDF Record Overview



Homeowner applies and is determined “conditionally-eligible” for HAF program by the State.

State obtains homeowner-signed Third Party Authorization (TPA).

State sends I-record with TPA to Servicer.

Servicer sends V-record to State. Includes required information per CDF Program type

State prepares to fund HAF benefit to Servicer

State sends A-record, then B-record and ACH payment to Servicer.

Servicer sends State a P-record to indicate that the funds have been applied and/or to notify the State of an overage/shortage

State sends T-record to Servicer indicating final payment (for program completion or non-compliance) has been paid.

CDF Record process is terminated.

**\* Timing of A and B Records and ACH disbursement may vary among States.**

The A record informs the Servicer that the homeowner has been approved for HAF assistance and includes the approved benefit amount.

The B record includes the benefit amount to be funded (for each homeowner transaction) and included in the Bulk ACH disbursement.

States must use a unique identifier that ties the B record loan data to the ACH payment disbursement data. The B record and ACH disbursement are best delivered within 48 hours of each other.

# Reinstatement Program

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## R Program – Process Steps

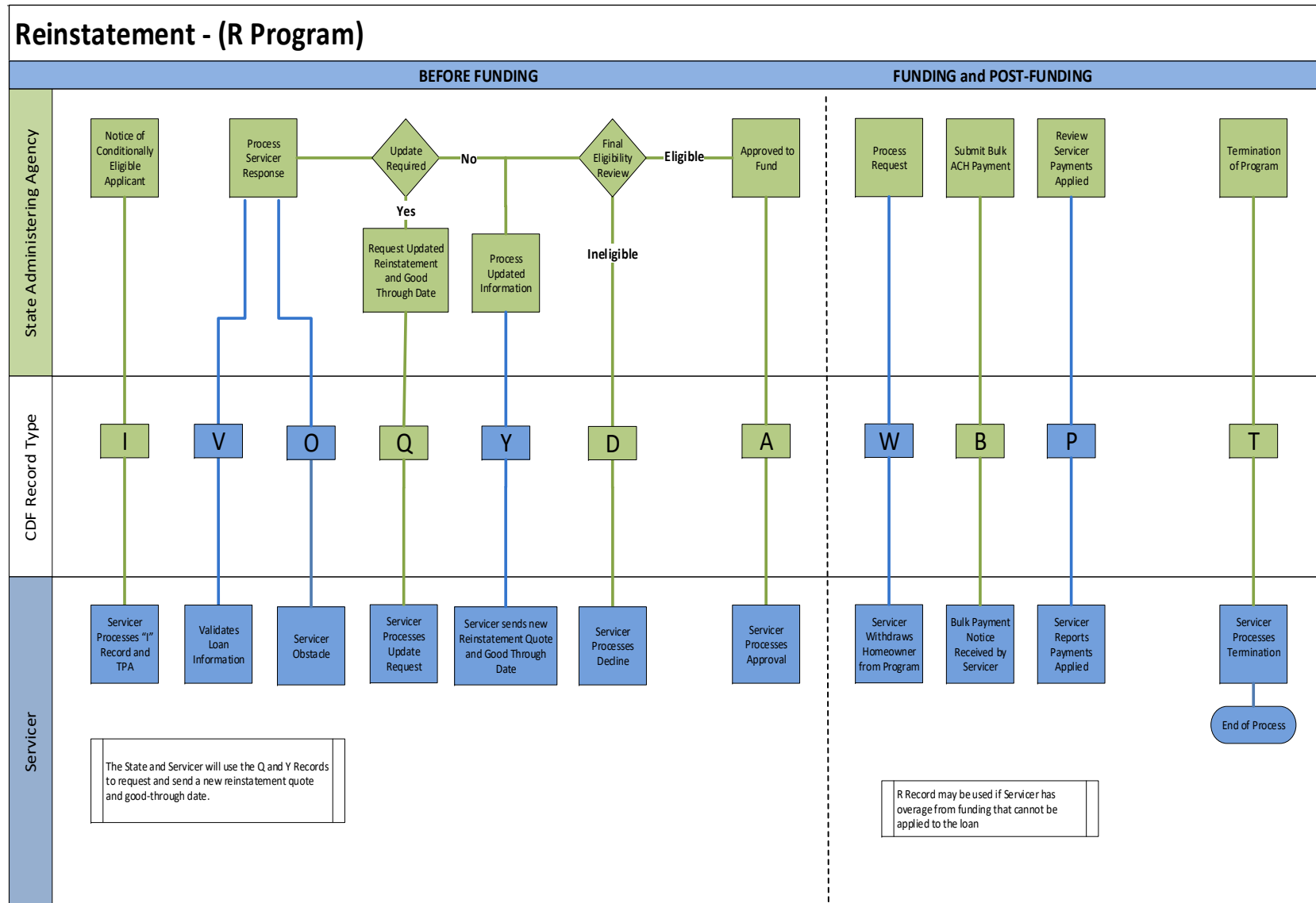


HAF Reinstatement Program		
HAF Process steps	State	Servicer
I - State Initial Submission	State sends file to Servicer with initial request along with a PDF of the Third-Party Authorization (TPA).	Servicer receives file and TPA and conducts review to validate information.
V - Servicer Validation	State receives file and uses information to determine program eligibility.	Servicer returns the data file along with additional borrower, loan and payment information.
O - Servicer Obstacle	State receives file and reviews obstacle. If the state wishes to approve the borrower, obstacle reason from the Servicer needs to be resolved and a new I record sent. The state can decline the borrower following receipt of an obstacle from the Servicer, but this is not required.	Servicer sends obstacle file with data along with reason(s) for obstacle. Includes complete borrower, loan and payment data, as long as the TPA was valid.
A - State Approval	State sends file to Servicer with notice of approval and program details.	Servicer receives file, updates system of record to reflect loan is approved to fund.
D - State Decline	State sends file Servicer with decline and decline reason.	Servicer receives file, updates system of record. Normal servicing activities are resumed.
B - State Bulk Payment	State sends file with payment details to Servicer. Separately disburses funds within 48 hours of sending a B record. The B record must contain applicable transaction reference number to match disbursement detail.	Servicer receives file and ensures payments are applied correctly. Discrepancies are resolved in communication with the state using P Record or direct contact, as applicable.
P - Payments Applied	State receives payment application information from Servicer. Determines amount applied, next due date, and overage/shortage, as applicable	Servicer sends file to indicate payments have been received, how they were applied and status of any discrepancies (overage/shortage), as applicable.
R - Return funds	State receives file and prepares to receive returned funds.	Servicer sends file to indicated overage or full refund is being returned to State.
T - State Termination	State sends file with termination notice to Servicer.	Servicer receives termination notice and updates systems. At program completion, Servicer understands the state will inform the borrower of program termination. Normal servicing will resume.
Q - Re-Quote	State sends file to request updated reinstatement quote and good through date	Servicer receives file and provides updated reinstatement quote and good through date.
Y - Re-Validation	State receives file. If approval (A record) has not yet been sent, state conducts underwrite to approve or decline. If already approved, state can proceed with transferring funds or terminate the borrower's participation.	Servicer sends updated reinstatement quote and good through date in response to a Q record request from the state.
W - Withdrawn	State receives file to withdraw borrower. Reviews withdrawal reason. State required to send T record, if W is received if after A record/Approval.	Servicer sends record to indicate borrower has been withdrawn from the program. Sent after V record. Reason for withdrawal indicated in the "HHF Withdrawn" Field.
C - Change	State receives file and reviews change reason. Determines if change will impact HAF, takes next steps based on conclusion. Refer to Early Loss Mitigation CDF flow diagram (Appendix T)	Servicer sends file with change reason. Change file commonly used to notify State of Early Loss Mitigation activity with borrower that may impact HAF.

# Reinstatement Program

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## R Program CDF Flow



# Monthly Payment Program

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## U Program – Process Steps

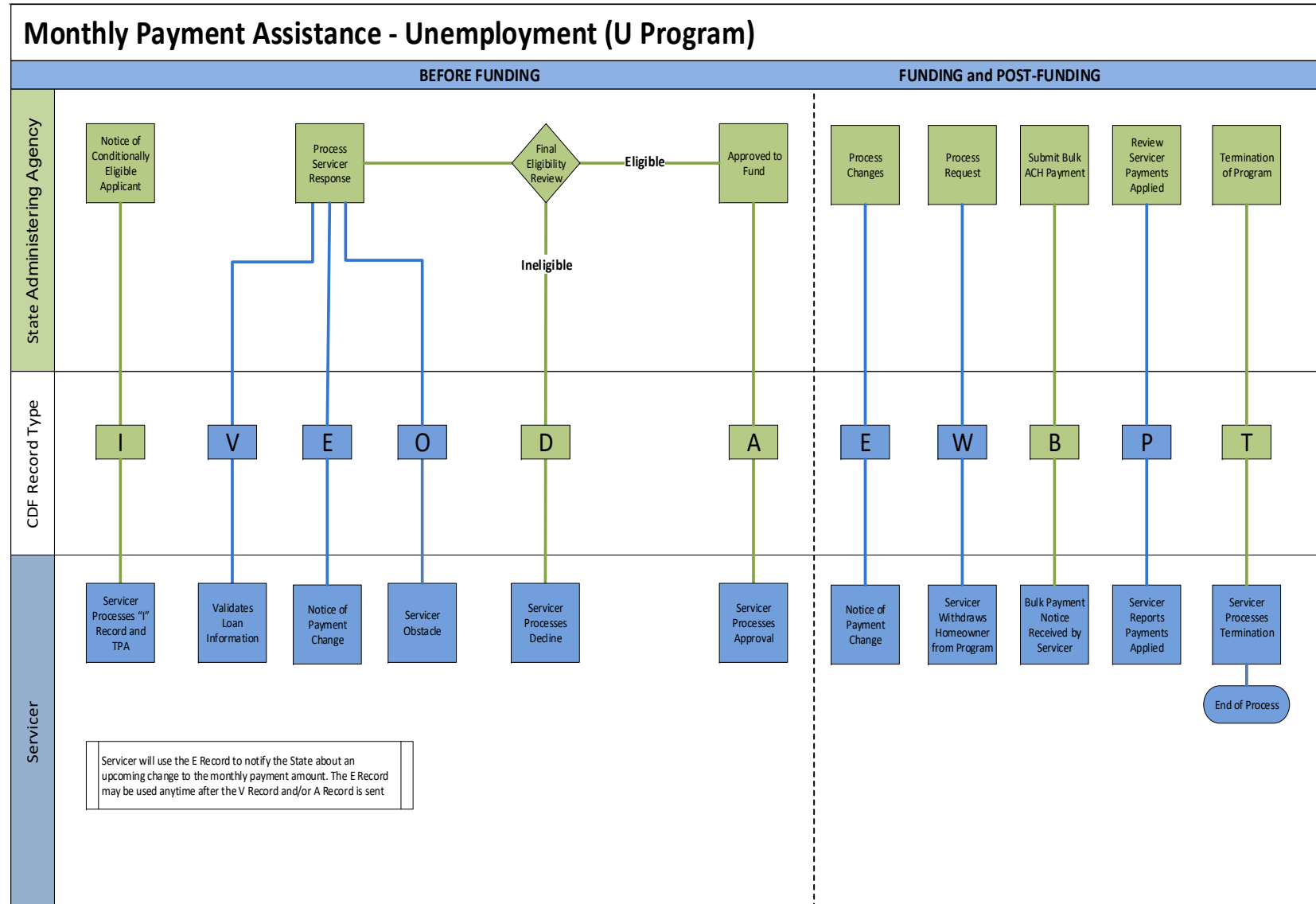


HAF Monthly Payment Assistance - Unemployment Program		
HAF Process steps	State	Servicer
I - State Initial Submission	State sends file to Servicer with initial request along with a PDF of the Third-Party Authorization (TPA).	Servicer receives file and TPA and conducts review to validate information.
V - Servicer Validation	State receives file and uses information to determine program eligibility.	Servicer returns the data file along with additional borrower, loan and payment information.
O - Servicer Obstacle	State receives file and reviews obstacle. If the state wishes to approve the borrower, obstacle reason from the Servicer needs to be resolved and a new I record sent. The state can decline the borrower following receipt of an obstacle from the Servicer, but this is not required.	Servicer sends obstacle file with data along with reason(s) for obstacle. Includes complete borrower, loan and payment data, as long as the TPA was valid.
A - State Approval	State sends file to Servicer with notice of approval and program details.	Servicer receives file, updates system of record to reflect loan is approved to fund.
B - State Bulk Payment	State sends file with payment details to Servicer. Separately disburses funds within 48 hours of sending a B record. The B record must contain applicable transaction reference number to match disbursement detail.	Servicer receives file and ensures payments are applied correctly. Discrepancies are resolved in communication with the state using P Record or direct contact, as applicable.
P - Payments Applied	State receives payment application information from Servicer. Determines amount applied, next due date, and overage/shortage, as applicable.	Servicer indicates payments have been received and how they were applied to loan, provides status of any discrepancies (overage/shortage). The B/P record flow continues until all monthly benefit payments have been exhausted.
E - Change in Payment	State receives file and changes the next monthly payment amount to reflect new payment information.	Servicer sends file to notify State of upcoming change to monthly payment amount.
T - State Termination	State sends file with termination notice to Servicer.	Servicer receives termination notice and updates systems. At program completion, Servicer understands the state will inform the borrower of program termination. Normal servicing will resume.
W- Withdrawn	State receives records of withdrawn borrowers detailing withdrawn reason for each borrower. (State required to send T if after Approval).	Servicer sends record to indicate borrower has been withdrawn from the program. Sent after V record. Reason for withdrawal indicated in the "HAF Withdrawn" Field.
C - Change	<i>State receives file and reviews change reason. Determines if change will impact HAF and takes next steps based on conclusion.</i>	<i>Servicer sends file with change reason. Not commonly used with U Program. Servicers uses E record to notify State of change to payment amount.</i>

# Monthly Payment Program

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## U Program CDF Flow



# Principal Reduction/Recast K Program – Process Steps

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HAF Principal Reduction - Recast Program		
HAF Process steps	State	Servicer
I - State Initial Submission	State sends file to Servicer with initial request along with a PDF of the Third-Party Authorization (TPA).	Servicer receives file and TPA and conducts review to validate information.
V - Servicer Validation	State receives file and uses information to determine program eligibility.	Servicer returns the data file along with additional borrower, loan and payment information.
O - Servicer Obstacle	State receives file and reviews obstacle. If the state wishes to approve the borrower, obstacle reason from the Servicer needs to be resolved and a new I record sent. The state can decline the borrower following receipt of an obstacle from the Servicer, but this is not required.	Servicer sends obstacle file with data along with reason(s) for obstacle. Includes complete borrower, loan and payment data, as long as the TPA was valid.
G – Guarantee Funds	State sends file and includes guaranteed funding amount.	Servicer receives file and uses funding amount to create borrower's recast document and prepare to re-amortize loan.
A - State Approval	State sends file to Servicer with notice of approval and program details.	Servicer receives file, updates system of record to reflect loan is approved to fund.
D - State Decline	State sends file Servicer with decline and decline reason.	Servicer receives file, updates system of record. Normal servicing activities are resumed.
B - State Bulk Payment	State sends file with payment details to Servicer. Separately disburses funds within 48 hours of sending a B record. The B record must contain applicable transaction reference number to match disbursement detail.	Servicer receives file and ensures payments are applied correctly. Discrepancies are resolved in communication with the state using P Record or direct contact, as applicable.
P - Payments Applied	State receives payment application information from Servicer. Determines amount applied, next due date, and overage/shortage, as applicable	Servicer sends file to indicate payments have been received, how they were applied and status of any discrepancies (overage/shortage), as applicable.
R - Return funds	State receives file and prepares to receive returned funds.	Servicer sends file to indicated overage or full refund is being returned to State.
F – Final Terms	State receives file with borrower's post-assistance loan information.	Servicer sends file with borrower's post-assistance loan information - unpaid principal balance, new monthly payment, next due date.
T - State Termination	State sends file with termination notice to Servicer.	Servicer receives termination notice and updates systems. At program completion, Servicer understands the state will inform the borrower of program termination. Normal servicing will resume.
W- Withdrawn	State receives file to withdraw borrower. Reviews withdrawal reason. State required to send T record, if W is received if after A record/Approval.	Servicer sends record to indicate borrower has been withdrawn from the program. Sent after V record. Reason for withdrawal indicated in the "HHF Withdrawn" Field.

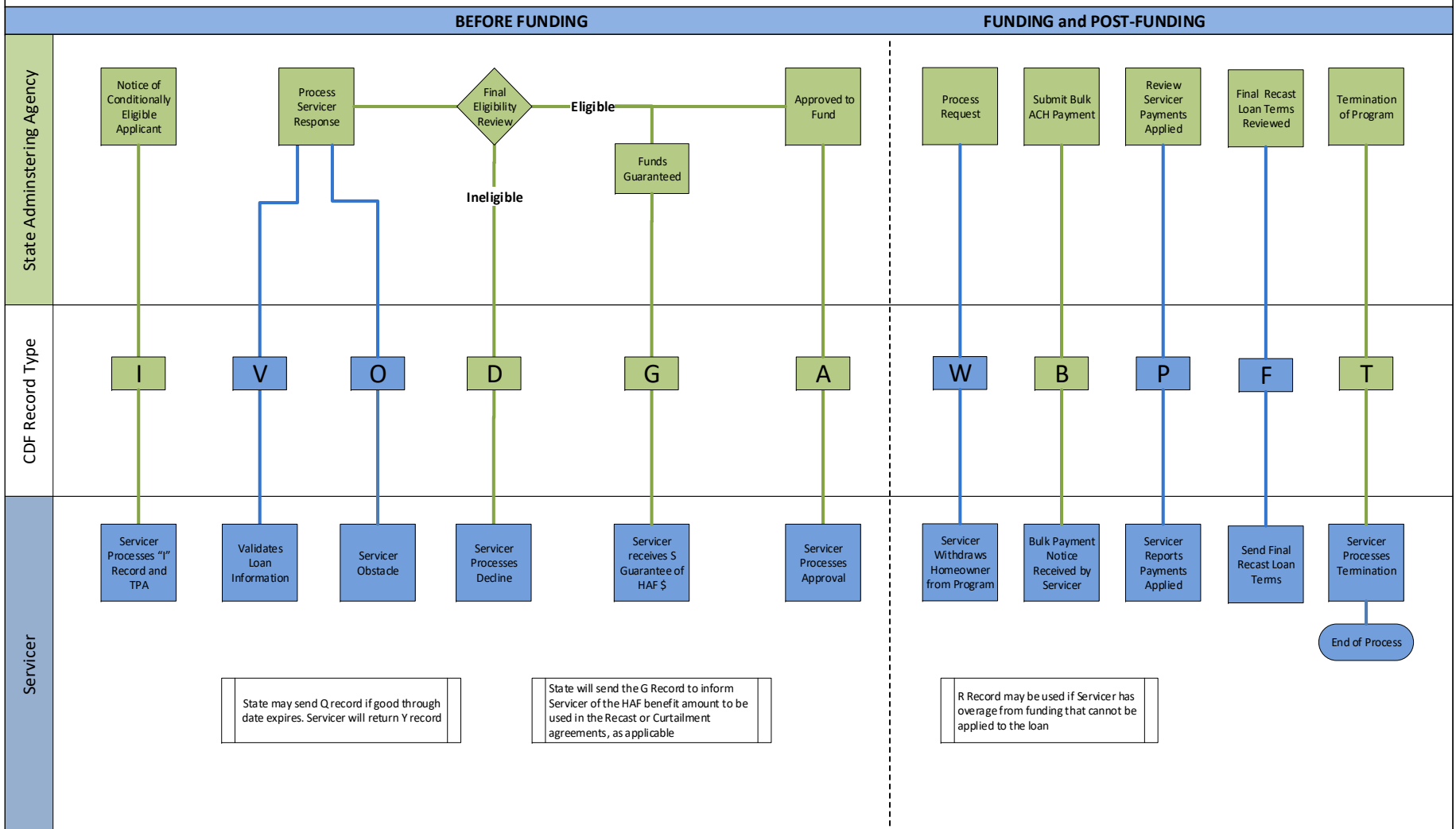
# Principal Reduction/Recast

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## K Program CDF Flow



### Principal Reduction Recast (K Program)



# Hybrid (HAF + Loan Mod)

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## P Program – Process Steps



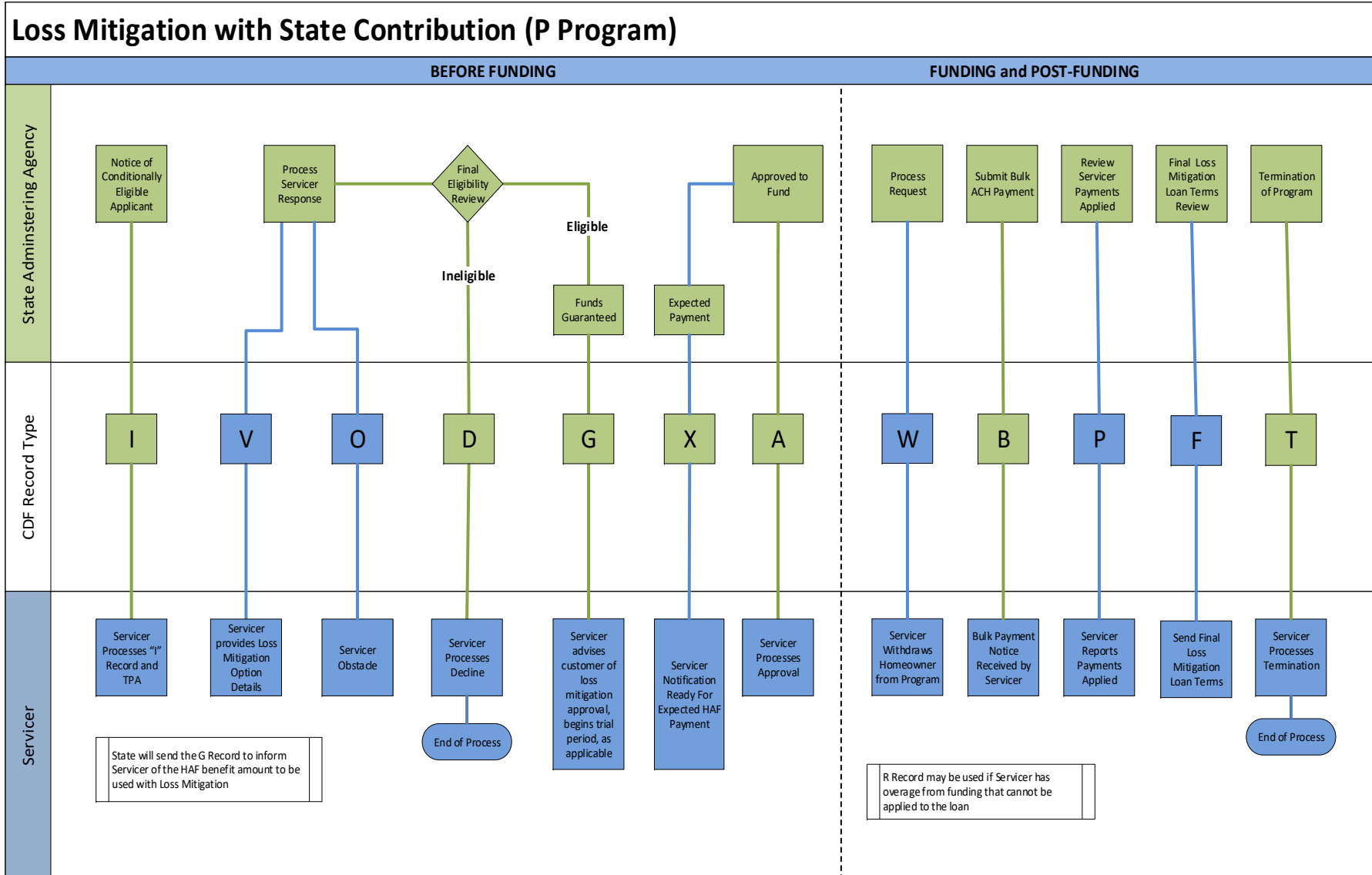
HAF Loss Mitigation with State Contribution Program		
HAF Process steps	State	Servicer
I - State Initial Submission	State sends file to Servicer with initial request along with a PDF of the Third-Party Authorization (TPA).	Servicer receives file and TPA and conducts review to validate information.
V - Servicer Validation	State receives file and uses information to determine program eligibility.	Servicer returns the data file along with additional borrower, loan and payment information.
O - Servicer Obstacle	State receives file and reviews obstacle. If the state wishes to approve the borrower, obstacle reason from the Servicer needs to be resolved and a new I record sent. The state can decline the borrower following receipt of an obstacle from the Servicer, but this is not required.	Servicer sends obstacle file with data along with reason(s) for obstacle. Includes complete borrower, loan and payment data, as long as the TPA was valid.
D - State Decline	State sends file Servicer with decline and decline reason.	Servicer receives file, updates system of record. Normal servicing activities are resumed.
G – Guarantee Funds	State sends file and includes guaranteed funding amount.	Servicer receives file and uses guaranteed funding amount to support loss mitigation agreements, as applicable.
X - Expected Payment	State processes file and prepares to approve and disburse funds	Servicer notifies State it is time to send guaranteed HAF monies
A - State Approval	State sends file to Servicer with notice of approval and program details.	Servicer receives file, updates system of record to reflect loan is approved to fund.
B - State Bulk Payment	State sends file with payment details to Servicer. Separately disburses funds within 48 hours of sending a B record. The B record must contain applicable transaction reference number to match disbursement detail.	Servicer receives file and ensures payments are applied correctly. Discrepancies are resolved in communication with the state using P Record or direct contact, as applicable.
P - Payments Applied	State receives payment application information from Servicer. Determines amount applied, next due date, and overage/shortage, as applicable	Servicer sends file to indicate payments have been received, how they were applied and status of any discrepancies (overage/shortage), as applicable.
R - Return funds	State receives file and prepares to receive returned funds.	Servicer sends file to indicated overage or full refund is being returned to State.
F – Final Terms	State receives file with borrower's post-assistance loan information.	Servicer sends file with borrower's post-assistance loan information - unpaid principal balance, new monthly payment, next due date.
T - State Termination	State sends file with termination notice to Servicer.	Servicer receives termination notice and updates systems. At program completion, Servicer understands the state will inform the borrower of program termination. Normal servicing will resume.
W- Withdrawn	State receives file to withdraw borrower. Reviews withdrawal reason. State required to send T record, if W is received if after A record/Approval.	Servicer sends record to indicate borrower has been withdrawn from the program. Sent after V record. Reason for withdrawal indicated in the "HHF Withdrawn" Field.



# Hybrid (HAF + Loan Mod)

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## P Program CDF Flow



# Obstacle Record and Reasons



A Servicer may need to notify a State of an obstacle that could affect the HAF transaction, and if so, they will include an Obstacle (O) Record. The State reviews the O Record reason, determines if the obstacle can be overcome, and how to proceed.

<b>Obstacle Record Reasons</b>	
<b>Permanent / Non-curable</b>	
Servicing transferred	
Borrower paid off	
Investor determination HAF insufficient/non-participating Investor	
Property sold at foreclosure sale	
Short sale or DIL - borrower has signed docs	
Permanent loss mitigation completed/documents sent to homeowner	
Loan is being Sub Serviced	
Other - enter clear description of the obstacle	
<b>Curable</b>	
Active Bankruptcy	
Loan not found (may be an error)	
Third Party Authorization (TPA) missing signature or invalid name	
Potentially over State's HAF program amounts	
Foreclosure sale imminent within 7 days – expedited state-servicer communication required	
Homeowner failed to provide required mod documents	
Late-stage permanent loss mitigation review – documents sent to homeowner	
Non-delegated loss mitigation; need investor approval	
Recast not permissible – need alternative HAF program	
Mature Loan	
Legal Action – possible fraud	
Other – expedited state-servicer communication required	