

Payment Deferral Comparison

On March 29, 2023, Fannie Mae announced an update to its standard payment deferral workout option. Servicers may implement these changes starting July 1, 2023 but must implement by October 1, 2023. The table below compares the key eligibility criteria between the current standard payment deferral and the updated standard payment deferral. For details, refer to [Lender Letter LL-2023-04](#). See *Servicing Guide*, [D2-3.2-05: Payment Deferral](#) for the current Payment Deferral requirements.

Category	Current Payment Deferral	Updated Payment Deferral effective 10.01.2023
Hardship	<p>The servicer must confirm that the borrower:</p> <ul style="list-style-type: none"> ▪ Has resolved their hardship, ▪ Is able to continue making the full monthly contractual payment, and ▪ Is unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency. 	<p>The servicer must confirm that the borrower:</p> <ul style="list-style-type: none"> ▪ Has resolved their hardship, ▪ Is able to continue making the full monthly contractual payment, including the amount required to repay any escrow shortage amount over a term of 60 months, and ▪ Is unable to reinstate the mortgage loan or afford a repayment plan to cure the delinquency.
Delinquency	<p>As of the date of evaluation:</p> <ul style="list-style-type: none"> ▪ The mortgage loan must be 30 or 60 days delinquent (i.e., the borrower is not past due for more than two full monthly contractual payments); and ▪ Such delinquency status must have remained unchanged for at least three consecutive months, including the month of the evaluation 	<ul style="list-style-type: none"> ▪ The mortgage loan must be equal to or greater than 2 months delinquent but less than or equal to 6 months delinquent as of the date of evaluation. ▪ No more than 12 months of cumulative past-due P&I payments as a result of a payment deferral may be deferred over the life of the mortgage loan. <p>Note: This cumulative cap does not include past-due P&I payments deferred as the result of a disaster payment deferral or a COVID-19 payment deferral.</p>
Origination Time Requirement	The mortgage loan must have been originated at least 12 months prior to the evaluation date of the payment deferral.	No change
Time to Maturity	No eligibility criteria exclusion	The mortgage loan must not be within 36 months of its maturity or projected payoff date.
Previous Modifications	<ul style="list-style-type: none"> ▪ The number of prior mortgage loan modifications does not impact a borrower's eligibility for the payment deferral. ▪ The mortgage loan must not have been modified with a non-disaster/non-COVID related mortgage loan modification within the previous 12 months of being evaluated for eligibility for a payment deferral. 	No change
Previous Trial Period Plan (TPP)	<ul style="list-style-type: none"> ▪ The borrower must not have failed a non-disaster/non-COVID related mortgage loan modification Trial Period Plan within 12 months of being evaluated for eligibility for the payment deferral. <p>Note: Converting from a Trial Period Plan to a forbearance plan is not considered to be a failed Trial Period Plan.</p>	No change



Category	Current Payment Deferral	Updated Payment Deferral effective 10.01.2023
Previous Payment Deferrals	<p>The mortgage loan must not have received a previous payment deferral.</p> <p>Note: This does not include a previous disaster payment deferral or COVID-19 payment deferral.</p>	<p>The mortgage loan must not have received a prior payment deferral with an effective date within 12 months of the evaluation date.</p> <p>Note: A prior COVID-19 payment deferral or disaster payment deferral within this 12 month period does not impact eligibility for a payment deferral.</p>
Borrower Response Package (BRP)	<ul style="list-style-type: none"> ▪ The servicer is authorized to evaluate the borrower for a payment deferral without receiving a complete BRP. When the servicer offers a payment deferral without receiving a complete BRP, the servicer is not required to send an Evaluation Notice, or equivalent. ▪ If the borrower submitted a complete BRP, then the servicer must evaluate the borrower in accordance with Servicing Guide, D2-2-05: Receiving a Borrower Response Package. The servicer is authorized to use an Evaluation Notice but must make the appropriate changes as necessary, including to the applicable Frequently Asked Questions, to reflect the terms of the payment deferral. 	No change
Escrow	<ul style="list-style-type: none"> ▪ The servicer is not required to perform an escrow analysis. <p>Note: If the servicer chooses to perform an escrow analysis, any escrow account shortage that is identified at the time of the payment deferral must not be included in the non-interest bearing balance and the servicer is not required to fund any existing escrow account shortage. In addition, the servicer is not required to revoke any escrow deposit account waiver.</p>	<p>If the servicer was not collecting escrows on the existing mortgage loan, the servicer is not required to revoke any escrow deposit account waiver and establish an escrow deposit account as a condition of the payment deferral if the servicer confirms the borrower is current on the payments for taxes, special assessments, property and flood insurance payments, payments for borrower-purchased MI, ground rents, and similar items.</p> <p>The servicer must,</p> <ul style="list-style-type: none"> ▪ Analyze an existing escrow account to estimate the periodic escrow deposit required to ensure adequate funds are available to pay future charges, and ▪ Spread repayment of the escrow shortage amount in equal monthly payments over a term of 60 months, unless the borrower decides to pay the shortage amount up-front or over a shorter period, not less than 12 months. <p>Any escrow account shortage that is identified at the time of the payment deferral must not be included in the non-interest bearing balance and the servicer is not required to fund any existing escrow account shortage.</p> <p>If applicable law prohibits the establishment of the escrow account, the servicer must ensure that the T&I payments are paid to date.</p>

This summary is intended for reference only. Servicers are responsible for complying with all of the requirements for payment deferral as provided in the Servicing Guide and Lender Letter 2023-04. In the event of any conflict between the requirements described in this document and the Servicing Guide, the requirements in the Servicing Guide shall control.