

Reporting & Validation of AI Data Submissions

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- Review Communication for AIs – Clarifications and changes for the June 30th Certificate Reporting period
- Discuss anticipated validation issues for the June reporting period
- Asset ID Highlights
- 1.3.2 Data Specification Review

Data Reporting Clarifications

Version 1.3.2 clarifications

Clarifications to Loss Share Data Specification Version 1.3.2

Completion of the March submissions raised a number of points about filling out the certificates and supporting files of the Loss Share Data Specification. We have summarized the guidance on these points below.

Clarifications affecting both Single Family and Commercial files

1. **FDIC Adjustments.**

The FDIC Adjustment template is being amended to reflect the following:

- The AI Adjustment amount in field 6 of the FDIC Adjustment workbook should foot to the total FDIC Adjustment amounts reported in the NSF and SFR Certificates.
- The Description of the FDIC Adjustment Amount and the AI Adjustment Amount has the signs of the amounts reversed. In both cases, the Description should read: "Amounts which are due to the FDIC should be reported as a negative, Amounts which are due from the FDIC should be reported as a positive."
- The field FDIC Adjustment Amount should be zero in cases where the field Adjustment Requested By has a value of 'AI'.
- The FDIC Adjustment Amount should have a numeric value when the field Adjustment Requested By has a value of 'FDIC'
- The FDIC Adjustment in field 11 of the NSF Loss and Recoveries file should tie to the AI Adjustment amount reported in the FDIC Adjustments file.
- The field Shared Loss Period must be populated with the appropriate Shared Loss reporting period

Additionally, the FDIC adjustment amount should also be reported in the NSF Loss and Recoveries file as it is included in the calculation of Total Covered Loss.

2. **Recovery and Expense amounts and reasons.**

Recovery and Expense amounts in the NSF Loss and Recoveries file (fields 8 and 9) state "If there are multiple recoveries (expenses) for the asset, report as a sum." Instead, the Comments should read "If there are multiple recoveries (expenses) with the same reason for the asset, report as a sum. Otherwise, report amounts separately for each unique recovery or expense reason." The same reporting approach should be followed for the Recovery and Expense amounts in the SFR Recoveries and Expense file (fields 4 and 7). As a result of this, the following validation rules are eliminated:

Field	Validation Criteria	Error or Warning
Loan number	Must be unique	Warning
ORE number	Must be unique	Warning
FDIC Asset ID	Must be unique	Error

Version 1.3.2 clarifications

Clarifications affecting both Single Family and Commercial files (continued)

Recovery and Expense reasons should be reported using the code number for the reason. For example, report “1” for “1 = Accrued Interest”. This also applies to fields 20 and 21 in the NSF Loss and Recoveries file and fields 5 and 8 in the SFR Recovery and Loss file.

If either the Recovery or Expense amount is zero, report “98 = Not Applicable” for the corresponding reason.

3. **The Active loan file is for loans that are active at the end of the period.** Therefore, active loans should not also be found in the PIF, Loan Sale, or ORE files. Further, it is inappropriate to report loans on the PIF file where a partial payment has been made.
4. **Validation of Unique IDs.** The validation test for a unique Loan number has been relaxed across all files. The validation test for a unique FDIC Asset ID has been relaxed for the Related loans files, the NSF Loss and Recoveries file, and the SFR Recovery and Loss file. Duplicate FDIC Asset IDs may exist in all these cases.
5. **Locations outside the U.S.** Property or borrower locations may be outside the U.S. For countries outside the U.S. where a US postal service state abbreviation code is not applicable, please use “CN” for Canada, “MX” for Mexico or “FC” for other foreign countries and enter in the state field.
6. **Resubmissions.** When resubmitting Certificates or supporting files, do not resubmit files until the full revised Certificate submission package is complete. For example, if critical issues exist for both the Active and ORE file, the AI should adjust both files and submit both files at the same time. The AI should not submit first the Active file prior to adjusting the ORE file and vice versa

Clarifications affecting Commercial files

7. Recoveries in NSF Certificate Section 2:

Part A, line 2 Adjustments d) Other:

Recoveries of prior period Charge-offs of principal and capitalized expenditures which affect Shared-Loss asset balances should be entered in line "2. Adjustments d) Other". This will be a subset of the total amount of recoveries reported in the Loss and Recoveries file and only applies if the recovery amount impacts the current asset balance in either the Active or ORE file.

Version 1.3.2 clarifications

Clarifications affecting Commercial files (continued)

Part B, line 10 b) Other Recoveries:

This will include the sum total of all recoveries reported in field 8 (Recoveries) of the Loss and Recoveries file.

8. Total Covered Loss (Gain) Amount in the NSF Loss and Recoveries file:

The definition of Total Covered Loss (Gain) in version 1.3.1 was expanded to include Full Chargeoff Recoveries and Full Chargeoff Reimbursable Expenses as given in field 12 of the Loss and Recoveries file:

Total Covered Loss = Chargeoffs (excluding accrued interest) + Qualifying loss on sale + Accrued interest charge – Recoveries + Reimbursable expense charges – Offsetting income + FDIC adjustment - Full Chargeoff Recoveries + Full Chargeoff Reimbursable Expenses.

As a result, please include Full Chargeoff Recoveries (field 17) and Full Chargeoff Reimbursable Expenses (field 18) in the calculation of Total Covered Loss.

This is the source of a significant number of errors for the March Certificate reporting cycle. Please ensure that you review the Total Loss calculation prior to the June Certificate reporting cycle and direct any questions to your Shared Loss Specialist.

Version 1.3.2 clarifications

Clarifications affecting Commercial files (continued)

9. Guidance on NSF Loan Sales File and Loss and Recoveries File reporting for NSF Loan and ORE asset sales

The Loan Sale file should include both ORE and Loan Sales. The file name will be changed to "Asset Sale" in version 1.4.

Als should report all loans, ORE and other sales in the Loan Sale file regardless (1) if the sale resulted in a loss or (2) if the asset was a loan or ORE prior to sale.

The field Loss Share in the Loan Sale file applies to asset sales requiring FDIC approval. For a general ORE sale or a loan sale where no Loss claim has been or will be submitted, the field Loss Share should be coded 'X' for 1.3.2 certificate submissions.

In the case where a loan sale or ORE sale results in a loss, the sale itself should be recorded in the Loan Sale file per instructions above and the following instructions should be followed for filing the associated claim in the NSF Loss and Recoveries file.

Loan Sale

If the loan sale is noted as an approved loan sale in the Loan Sale file (field Loss Share = 'Y') then the associated Loss amount should be reported in the field "Loss on Sale" in the NSF Loss and Recoveries file.

If the loan sale required FDIC approval and approval was not provided (field Loss Share = 'N') then no associated Loss should be reported in the NSF Loss and Recoveries file.

ORE Sale

If the ORE sale is a general ORE Sale, the Loss amount should be reported in the field Charge-offs in the Loss and Recoveries file.

Please refer to the Shared Loss Agreement to determine if the asset sale requires FDIC approval.

Version 1.3.2 clarifications

Clarifications affecting Commercial files (continued)

10. **Paid in Full line 5c on NSF Certificate Section 2.** The Paid in Full line 5b in Section 2 of the NSF Certificate is new to the version 1.3 certificate as a separate line. Therefore, Als may not have a Cumulative at beginning of Quarter balance for Paid in Full. If this is the case, please assign a zero amount to the Cumulative beginning of Quarter balance and focus on reporting Paid in Full amounts for the current and future periods.
11. **Reporting Nonaccrual loans where Foreclosure proceedings have not begun in the NSF Certificate Section 3.** As stated in the NSF Instructions, please include all nonaccrual loans where foreclosure proceedings have not begun in the **90+ days Delinquent** category. For these loans, the field Nonaccrual in the NSF Active file must be reported with a value of 'Y'.
12. **FDIC Asset type – may only contain allowable values.** Some Als have not been reporting the FDIC Asset type field 84 in the NSF Active loan file. The FDIC Asset type is required to tie the asset type balances in the loan detail to the Cert balances in line 7 of Section 2. Therefore, Als must report the allowable values for the FDIC Asset type.

Field 54 (Loan Type) will no longer be a required field for the NSF Active file

13. **New Reason Codes for Recovery and Expense reasons in the NSF Loss and Recoveries file.** New allowable values will be added to the Recovery and Expense reasons in fields 20 and 21, respectively, of the Loss and Recoveries file to capture reasons not listed. The new reason codes are:

Code number	Recovery reason
22	Expense Reversal
98	Not Applicable
99	Other
Code Number	Expense reason
19	Recovery Reversal
98	Not Applicable
99	Other

Version 1.3.2 clarifications

Clarifications affecting Single Family files

- 14. Payment History – may only contain allowable values.** Als must map to FDIC allowable values for field 44 in the SFR Active loan file. Some Als, for example, have reported "B" for bankruptcy which is not accepted. The intent of this field is to capture borrower payment history regardless if the borrower has declared bankruptcy. Borrowers may continue to make payments on loans while in bankruptcy status.

Allowable values for the payment history field include: C = Current; 3 = 30 days DQ; 6 = 60 days DQ; 9 = 90 days DQ; 4 = 120+ days DQ; U =Unknown.

- 15. SFR ORE file - Pre-Agreement Foreclosure, field 15: this field may only contain allowable values.** Some Als are not populating the Pre-agreement Foreclosure field with an allowable value of Y (=Yes, foreclosure occurred prior to the Shared-Loss agreement) or N (=No). Other values such as "1", "0", or null values are not permitted.

If answer for this field is Y (yes), the validation applied is book value minus post closing principal payments. Book value refers to the written down value of the asset as reflected on Schedule 4.15A. Reversion UPB refers to the UPB after the final borrower payment for assets that had not been written down by the failed institution.

- 16. Single Family Loan Sale file.** The Single Family Loan Sale file is described as "Required if any loans in the SFR portfolio were sold during the reporting period". The SFR Certificate validation for Page 2, Section 2 Part C 15. Qualifying Loss on Loan Sale indicates that the Covered Loss/Gain Amount reported must match the count and amount reported in the Single Family Loan Sale file. This creates a conflict where Loan Sales that were either not approved by the FDIC or were sold at par are reported. In either case, the covered loss reported is zero. The Certificate validation will be adjusted to validate the count of Loan Sales only where the covered loss amount is not equal to zero.

- 17. SFR Covered Loss Exhibits:**

Charge-off Calculation – Exhibit 2d(1). The Gross Balance Recoverable in the SFR Charge-off Loss file should be the sum of fields 13-21 instead of 13-20. The Total Cash Recovery should be the sum of fields 22-27 instead of 21-26.

Property classified as ORE or foreclosure prior to closing – Exhibit 2c(1). The Gross Balance Recoverable in the Foreclosure and ORE Sale Loss file is correctly stated in v 1.3.2 as equal to field 13 minus field 14 plus fields 19-25. In version 1.3.1, field 18 (Accrued Interest) was incorrectly included in the calculation.

Version 1.3.2 clarifications

Clarifications affecting Single Family files (continued)

18. Who must sign a Single Family Certificate:

A Single Family Certificate must be signed by an officer of the AI involved in, or responsible for, the administration and servicing of the Shared-Loss Loans, whose name appears on a list provided to the Receiver (as updated by the AI and provided to your FDIC RSAM Specialist as needed from time to time).

19. New Reason Codes for Recovery and Expense in the SFR Recoveries and Expense file. The following allowable values will be added to the Recovery and Expense reasons in fields 5 and 8, respectively, of the SFR Recoveries and Expense file:

Code number	Recovery reason
22	HAMP Borrower Incentives
23	HAFAs Borrower Incentives
24	HAFAs Investor Incentives
25	HAFAs Lien Holder
26	HAMP Investor Incentives
27	Expense Reversal
98	Not Applicable
99	Other
Code Number	Expense reason
19	Recovery Reversal
98	Not Applicable
99	Other

Version 1.3.2 clarifications

Clarifications affecting Single Family files (continued)

20. Valuation Date.

The validations for Valuation Dates for SFR loss events are as follows:

File Name	Field Name	Validation Criteria	Warning/Error
Charge Off	Valuation Date	Must be populated	Warning
Foreclosure	Valuation Date	Must be populated.	Warning
Charge Off	Valuation Date	Valuation Date must not exceed 90 days from the Charge-off date	Warning
Foreclosure	Valuation Date	Valuation Date must not exceed 90 days from the liquidation date	Warning
Loan Sale	Valuation Date	Valuation Date must not exceed 90 days from the sale date	Warning
Restructure	Valuation Date	Valuation Date must not exceed 90 days from the lesser of the 1 st trial payment due date or modification effective date	Warning
Short Sale	Valuation Date	Valuation Date must not exceed 90 days from the short sale payoff date	Warning

In cases where the valuation date occurs more than 90 days prior to the liquidation or charge-off date, your FDIC Specialist may contact you for additional information.

Preparations for June Certificate Reporting Period

Our Focus for June Certificates

March Issues:

- Extended processing times for March submissions due to numerous submission warnings and errors and sometimes manual matching process for Asset ID assignments

June Improvements:

- Increasing data aggregation staffing
- Request that AIs submit Asset ID requests prior to Certificate Submission receipt date
- Better communicate new validations implemented in 1.3.2 Data Specifications

Potential Issues With the 6/30 Single Family (SF) Data Submissions

Below are top SF validation issues that we are anticipating with the 6/30 submissions.

File Name	Field Name	Validation Criteria
1. Active Loans	HELOC Amount Advanced	Must be populated. If unable to populate, a value of 0 must be used
2. ORE	Pre Agreement Foreclosure	Must be populated with either a "Y" or "N"
3. Recoveries and Expenses	Full Charge-Off Recoveries	Total Amount must match Certificate Section 2 Part C Line 16a. Recoveries From Fully Charged Off Assets
4. Restructure	Post-mod Net UPB	Must be populated.
5. Restructure	NPV of projected cash flows	Must be populated.
6. Restructure	Modification Effective Date	Must be populated.

Potential Issues With the 6/30 Non Single Family (NSF) Data Submissions

Below are top NSF validation issues that we are anticipating with the 6/30 submissions.

File Name	Field Name	Validation Criteria
1. Loss and Recoveries	FDIC Asset Type	Must be populated with allowable values
2. Loss and Recoveries	Full Charge-Off Recoveries	Total Amount must match Certificate Section 2 Part B Line 10A Recs From Fully Charged Off Assets
3. Loss and Recoveries	Full Chargeoffs Reimbursable Exp	Total Amount must match Certificate Section 2 Part B Line 12A Reimb Exps from Fully CO Assets (Total Column)
4. Loss and Recoveries	Recoveries	Sum of Recoveries from NSF_Loss & Recoveries Detail file must match Line 10 b Other Recoveries.
5. Loss and Recoveries	Reimbursable Expenses	Sum of Reimbursable Expenses column from the NSF_Loss & Recoveries Detail file. Must match Line 12b Other Reimbursable Expenses.
6. Active Loans	Permitted Advances	Total Amount must match Certificate Section 2 Part A Line 4b) Permitted Advances (Total Column minus ORE & oth repo assets Column).
7. Paid In Full	Payoff Amount	Total Amount must match Certificate Section 2 Part A Line 5B Paid in Full

Asset ID Highlights

Highlights of Asset ID Assignment Process

- Over 100 Asset ID requests have been received as of 5/31. Below are some high-level statistics of the program:

Type	# of Requests
6	36
7	7
8	3
9	56

Category	New Asset IDs Issued To Date
Count of Funds	54
Count of Records	41,823

Please note, the data aggregator will no longer automatically assign asset IDs for Type 9 transactions

Enhancements to the Asset ID Assignment Workbook

- Enhancements have been made to the Asset ID Assignment Workbook. These enhancements include:
 - Comment boxes have been added to all field (column) headings for immediate reference of the description
 - Transaction type = 'N' for original note(s)
- Als can download the Asset ID Request Template from the 1.3.2 Data Specifications page:
<http://www.fdic.gov/bank/individual/failed/lossshare/riskshare.html>



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Loss Share Data Specifications Version 1.3.2

The FDIC defines the data reporting requirements for Loss Share Agreements via a set of detailed specifications that include instructions, validation criteria, reporting templates, and examples of reporting scenarios. These Loss Share Data Specifications have evolved over time. On March 31, 2011 the FDIC published version 1.3.2 of the Loss Share Data Specifications.

- [Implementation Timeline for Loss Share Data Specifications Version 1.3.2](#)
- [Changes in Loss Share Data Specifications Version 1.3.2](#)
- [Download Loss Share Data Specifications Version 1.3.2](#)
- **[FDIC Asset ID Assignment Methodology](#)**
- [FDIC Adjustments](#)
- [Questions?](#)

Implementation Timeline for Loss Share Data Specifications Version 1.3.2

All Loss Share acquiring institutions must adopt the Loss Share Data Specifications Version 1.3.2 by the June 30, 2011 reporting period end date.

Changes in Loss Share Data Specifications Version 1.3.2

Loss Share Data Specifications Version 1.3.2 was a minor release as defined in the [Change Management Plan](#). The following list summarizes the changes made by the FDIC in the Loss Share Data Specifications Version 1.3.2:

1.3.2 DATA SPECIFICATIONS

Version 1.3.2 Changes (1 of 3)

Version 1.3.2 is a minor release as defined in the Change Management Plan for RSAM Data Specifications. The major components of the release are the FDIC Asset IDs and FDIC Adjustments. However several field descriptions were also updated.

Schedule		
Categories	Release Date	Compliance Date
FDIC Asset IDs and FDIC Adjustments	March 31, 2011	March 31, 2011
New Fields, Allowable Values, and Validations	March 31, 2011	June 30, 2011

New Fields				
File	Field #	Field Name	Field Description	Reason for Change
NSF Loss & Recoveries	20	Recovery Reason	Type of recovery reason	Enable tracking of Recovery reasons
	21	Expense Reason	Type of expense reason	Enable tracking of Expense reasons

Version 1.3.2 Changes (2 of 4)

Allowable Values – Revised				
File	Field #	Field Name	Old Allowable Values	New Allowable Values
SFR Active Loans	44	Payment History	C = Current; 3 = 30 days DQ; 6 = 60 days DQ; 9 = 90 days DQ; 4 = 120+ days DQ; F = Foreclosure	C = Current; 3 = 30 days DQ; 6 = 60 days DQ; 9 = 90 days DQ; 4 = 120+ days DQ; U = Unknown
	45	Exceptional Loan Status	B = Bankruptcy; F = Foreclosure; 9 = bankruptcy and foreclosure	B = Bankruptcy; F = Foreclosure; 9 = Bankruptcy and Foreclosure; N = Not in bankruptcy and/or foreclosure; U = Unknown

Required – Changed from “No” to “Yes”			
File	Fields #	Field Name	Reason for Change
SFR Active Loans	8, 10, 13, 19, & 42	Original Credit Score, Original Combined LTV, Negative Amortization Cap, MI Coverage, and Rate Reset Period	Fields are required for valuation model

Version 1.3.2 Changes (3 of 4)

New Validations	
Categories	New Validation Description
Calculation Checks	<ul style="list-style-type: none"> ▪ SFR loss amounts (foreclosure, restructure, charge-off, loan sale, and short sale) must be calculated based on Loss Calculation Exhibits ▪ Accrued interest cannot exceed 90 days and must be zero where property was classified as ORE prior to closing
Time Series Validations	<ul style="list-style-type: none"> ▪ Expenses must not be claimed prior to a loss event ▪ For a NSF extension of term, check that the term does not exceed the bank closing date plus 5 years (applies to permitted amendment activity)
Certificate Checks	<ul style="list-style-type: none"> ▪ New validations for first time submissions to verify beginning balance in section 2 of certificate with Schedule 4.15



Questions

