

**Arch MI
Automated Delinquency
Reporting
(ADR)**

Customer Manual

Introduction

Arch Mortgage Insurance Company welcomes you to Automated Delinquency Reporting, a paperless alternative to the delinquency reporting requirements of our Master Policy. This guide introduces the system and its many benefits. You will also find a discussion of the prerequisites for participation.

The final sections outline the monthly process of reporting delinquencies via the system and provide the details of the required EDI format.

Arch MI is confident that once you have reviewed the guide, you will want to take advantage of Automated Delinquency Reporting. We encourage you to contact: defaultreporting@archmi.com to begin the process of implementation.

Overview

Arch MI's Automated Delinquency Reporting program, ADR, has been developed to facilitate the reporting of delinquency information to Arch MI. Under ADR, paper Notices of Delinquency and monthly Turnaround Reports are replaced by an EDI File generated by you, the servicing lender, or your service bureau. This file is produced monthly between the 16th and 24th of the month and sent to Arch MI by the 25th of the month. Arch MI then reads the information in the EDI File, performs certain edit functions and adds the validated data to Arch MI's delinquency system.

Benefits

Automated Delinquency Reporting eliminates the clerical effort involved in completing Notices of Delinquency on newly delinquent loans, as well as the substantial effort required to complete Arch MI's monthly Turnaround Reports each and every month of a loan's delinquency. Also eliminated are the many pages of paper reports and the copying and filing of these reports. Even lenders who use computer-generated Notices of Delinquency are benefited by converting to the ADR system.

Arch MI's Automated Delinquency Reporting system increases the accuracy of delinquency reporting, by eliminating the errors that may occur when reports are completed, or when data from the reports are keyed into Arch MI's system. In addition, ADR makes it easier to ensure compliance with the reporting requirements of Arch MI's policy. Properly implemented, the EDI File generated by your institution will report on all Arch MI-insured loans which require reporting as per the Master Policy. This should ensure that no delinquent loan is overlooked.

Automated Delinquency Reporting is a worthwhile investment in the future. It saves you time and eliminates paper, increasing both efficiency and accuracy. More importantly, it allows you to concentrate your efforts on working with borrowers to cure delinquent loans.

Considerations

In order to take advantage of ADR, information on delinquent loans must be tracked on your computer system and the data must be accurately maintained. In addition, the computerized records must identify the loans insured by Arch MI and provide the Arch MI certificate (policy) number for each of these loans. The EDI format, the specific layout of the delinquency data, must conform to that adopted by Arch MI. This format has become an accepted standard within the mortgage insurance industry.

Most computerized loan servicing systems capture the required data, so these requirements should not create a problem. If you use a service bureau, several already offer an EDI delinquency reporting program which is compatible with Arch MI's ADR system. Specific requirements, including the standardized format, are detailed in the final section of this guide.

Record Reconciliation

If your institution already participated in Arch MI's Tape-to-Tape Renewal billing program, your records should reflect the correct Arch MI certificate number, and Arch MI's and your institution's records should already be reconciled. If not, it is advisable to reconcile your records before you begin reporting by Automated Default Reporting (ADR).

One method of reconciliation is an audit file produced by Arch MI. This will provide information on the borrower's name, subject property address, Arch MI certificate number, servicer's loan number, MI renewal due date, renewal rate and percent coverage.

When you feel comfortable that the data is in substantial agreement (especially with respect to the loans insured by Arch MI and the Arch MI certificate numbers) Arch MI will be prepared to accept an Automated Default Reporting file for testing via a WebTrader account assigned to the filer by Arch MI. Arch MI will then test the Automated Default Reporting file in a testing environment. As soon as your Automated Default Reporting test file is reviewed by Arch MI and it is found that the data has been accurately interpreted and can properly process in our production environment, we will implement Automated Delinquency Reporting.

How to Begin

Simply call Arch MI's Default Servicing Manager, Daniel Tai at: (925) 658-6169.

Monthly Procedure

An EDI File in the standardized format detailed below is produced by the servicer by the 24th of each month and sent to Arch MI by the 25th of the month.

Please contact the Arch MI Default Reporting Specialist above to verify where the EDI File should be sent to.

In order for Arch MI to read and successfully process the EDI File, the EDI File format must coincide with the standardized format adopted by Arch MI. As previously discussed, this format has been adopted by several service bureaus and other mortgage insurers. The format is detailed in the following section.

Reporting should begin after two payments are missed, which may be anywhere from 31-60 days delinquent.

Automated Delinquency Reporting Interface File Format

The interface file will originally be produced via electronic text format processing with Fixed **Length Records – 1600 Characters Each.**

The interface file contains three record formats:

1. Mortgage Company Header
2. Delinquent Loan Detail
3. Mortgage Company & File Trailer (both the 7 and 9 Trailer Record Code)

The following legend refers to whether or not a field is REQUIRED, REQUIRED IF AVAILABLE, or OPTIONAL for the Header/Detail/Trailer Record:

- R = Required**
RIA = Required if available
O = Optional

Header Record

The Mortgage Company Header Record contains data pertaining to the servicing lender and precedes the Delinquent Loan Detail Records for each client on a multi-client file. The “Record Code” equals 1.

<u>FIELD NAME</u>	<u>SIZE (PICTURE)</u>	<u>Start</u>	<u>DESCRIPTION</u>
MI Company Code (R)	X (3)	1	See #8, page 12 of 12
Service Bureau Code (R)	X (3)	4	See #7, page 11 of 12
Client Number (R)	X (3)	7	Defined by Service Bureau/CMG MI assigns if in-house
Record Code (R)	X	10	Value = 1 (See page #9)
Current Date/File Prepared Date (R)	X (6)	11	YYMMDD
Servicing Lender’s Name (R)	X (25)	17	
Servicing Lender’s Address (R)	X (25)	42	
Servicing Lender’s City (R)	X (21)	67	
Servicing Lender’s State (R)	X (2)	88	
Servicing Lender’s Zip Code (R)	9 (9)	90	Left justified trailing zeroes if nine-digit code not known
Filler (RIA)	X (1502)	99	Filler may not be needed

Detail Record

The Delinquent Loan Detail Record contains data pertaining to the individual delinquent loan. The detail records common to one lender are preceded by the Mortgage Company Header Record and followed by the Mortgage Trailer Record for each client on a multi-client file. The “Record Code” equals 2 or 3.

<u>FIELD NAME</u>	<u>SIZE (PICTURE)</u>	<u>Start</u>	<u>DESCRIPTION</u>
MI Company Code (R)	X (3)	1	See #8, page 12 of 12
Service Bureau Code (R)	X (3)	4	See #7, page 11 of 12
Client Number (R)	X (3)	7	Defined by Service Bureau or CMG MI if in-house
Record Code (R)	X	10	2=NOD (newly reported delinquency) 3=MDR (monthly update of previously reported loan) See #1, Page 9 of 12
Current Date/File Prepared Date (R)	X (6)	11	YYMMDD
Servicing Contact Person (RIA)	X (35)	17	
Servicing Contact Phone # (RIA)	9 (10)	52	
Certificate Number (R)	X (10)	62	Left Justified
Lender’s Loan Number (R)	X (25)	72	Left Justified
Borrower’s Name (R)	X (25)	97	
Borrower’s Address Line 2 (R)	X (25)	122	Mailing address which may be the same as property address below.
Borrower’s Address Line3 (R)	X (25)	147	
Borrower’s Address Line 4 (R)	X (25)	172	
Borrower’s Address Zip Code (R)	9 (9)	197	Left justified trailing zeroes if nine-digit code not known
Co-Borrower’s Name (R)	X (25)	206	
Property Address (R)	X (25)	231	
Property City (R)	X (21)	256	
Property State (R)	X (2)	277	
Property Zip Code (R)	9 (9)	279	Left justified trailing zeroes if nine-digit code not known
Borrower’s 1 st Phone # (RIA)	9 (14)	288	Area (3) + No. (7) + Ext. (4)
Borrower’s 2 nd Phone # (RIA)	9 (14)	302	Area (3) + No. (7) + Ext. (4)
Borrower’s 3 rd Phone # (RIA)	9 (14)	316	Area (3) + No. (7) + Ext. (4)
Borrower’s Social Security # (R)	9 (10)	330	Right Justified
Co-Borrower’s Social Security # (RIA)	9 (10)	340	Right Justified
Current Principal Balance (R)	S9 (7) V99	350	
Delinquent Payment Amount (R)	S9 (7) V99	359	Total of all delinquent payments

FIELD NAME	SIZE (PICTURE)	Start	DESCRIPTION
Lender Fees (O)	S9 (7) V99	368	Includes late charges, NSF fees, miscellaneous fees, etc.
Total Monthly Payment (RIA)	S9 (7) V99	377	Current monthly payment including all escrowed items
P & I Payment (RIA)	S9 (7) V99	386	Principal & Interest only
Payoff Amount (O)	S9 (7) V99	395	Total payoff amount
Months Delinquent (O)	9 (2)	404	Number of delinquent installments
Month of First Unpaid Installment Within <u>Life of Loan</u> (O)	9 (3)	406	The number of the payment which caused the <u>original default</u> (i.e., if 10 th pmt. Not made, value is 010)
First Payment Default (O)	X	409	Y = Yes N = No
12 Month Payment History (RIA)	X (12)	410	Floating 12 months 0 = Not Paid per agreement 1 = Paid per agreement
Non-Pay Code (RIA)	X (2)	422	See #2, page 9 of 12
Investor Name (O)	X (25)	424	
Investor Address Line 2 (O)	X (25)	449	
Investor Address Line 3 (O)	X (25)	474	
Investor Address Line 4 (O)	X (25)	499	
Collection Comments (RIA)	X (80) x 11	524	
Mortgage Code (R)	X	1404	1 = First lien / 2 = Second lien
Due Date of 1 st Unpaid Installment (R)	X (6)	1405	YYMMDD (“Next Payment Due Date”)
Removal Code (for every record) (R)	X (2)	1411	See #3, page 9 of 12
Date Foreclosure Began (R)	X (6)	1413	YYMMDD- Petition file date
Date Foreclosure Sale Scheduled (R)	X (6)	1419	YYMMDD
Date Foreclosure Sale Held (RIA)	X (6)	1425	YYMMDD
Date Redemption Period Ends (RIA)	X (6)	1431	YYMMDD
Date Voluntary Conveyance Accepted (RIA)	X (6)	1437	YYMMDD
Date Property Sold (O)	X (6)	1443	YYMMDD
Bankruptcy Filed Dated (RIA)	X (6)	1449	YYMMDD
Bankruptcy Code (RIA)	X (2)	1455	Chapter Number (i.e., 07, 11, 13)
Date Claim Submitted (RIA)	X (6)	1457	YYMMDD

FIELD NAME	SIZE (PICTURE)	Start	DESCRIPTION
Date Claim Paid (O)	X (6)	1463	YYMMDD
Date Last Installment Received (RIA)	X (6)	1469	YYMMDD
Occupancy Code (RIA)	X	1475	See #5, page 10 of 12
MI Insurance Indicator (R)	X	1476	See #6, page 10 of 12
Other Coverage Company Code (O)	X (3)	1477	If loan has pool and primary, enter the MI Company Code of the carrier of the other coverage. See #8, page 12 of 12
Other Coverage Certificate Number or Pool Loan Number (R)	X (10)	1480	If both Primary and Pool coverage are with CMG MI, enter the Certificate/Pool ID # for the other coverage.
Bankruptcy Relief Date (RIA)	X (6)	1490	YYMMDD
Filler (RIA)	X (105)	1496	If needed

Trailer Record

The Trailer Record for each client record code (7) and the Trailer Record for the file record code (9) will contain data used to balance the file and ensure no data is lost in transmission.

FIELD NAME	SIZE (PICTURE)	Start	DESCRIPTION
MI Company Code (R)	X (3)	1	See #8, page 12 of 12
Service Bureau Code (R)	X (3)	4	See #7, page 10 of 12
Client Number (R)	X (3)	7	Defined by Service Bureau or CMG MI if in-house
Record Code* (R)	X	10	7 = Client 9 = File
Current Date/File Prepared Date (R)	X (6)	11	YYMMDD
Lender's Name (R)	X (25)	17	
Number of Loans (R)	S9 (7)	42	
Current Principal Balance Total (R)	S9 (11) V99	49	Sum of all Current Principal Balance's in file
Delinquent Payment Amount Total (R)	S9 (11) V99	62	Sum of all Delinq. Payment Amount's in file
Filler (RIA)	X (1526)	75	If needed

* For "9" File Record, Client Number Must be "999". See Service Bureau Codes, #7, page 10 of 12.

Mortgage Insurance Delinquency Reporting Interface Values

The MI Delinquency Reporting interface file uses several codes. The following is a list of the codes and the assigned values.

1. Record Code – This is a one-character code used to identify the Interface File Record type. The code values have been defined as follows:

- 1 = Client Header Record
- 2 = NOD Detail Delinquent Loan Record (loan being reported for the first time)
- 3 = MDR Detail Loan Record (loan has been previously reported)
- 7 = Client Trailer Record
- 9 = File Trailer Record

2. Non-Pay Code (Reason for Default) – This is a two-character code identifying the reason for the delinquency. The code values have been defined as follows:

- 01 = Death of Borrower
- 02 = Illness
- 03 = Marital Problems
- 04 = Unemployment
- 05 = Business Failure
- 06 = Temporary Curtailment of Income
- 07 = Bankruptcy
- 08 = Over-Obligated (Excessive Use of Credit)
- 09 = Casualty Loss
- 10 = Moved / Vacated
- 11 = Dissatisfied With Property
- 12 = Energy / Environment Cost
- 13 = Servicing Problems
- 14 = Auto Repairs
- 15 = See Comments

3. Removal Code – This entry is used to document the status of an existing default. Every record must have a removal code. The code values have been defined as follows:

- 00 = Delinquent Loan – NOT removed
- 01 = Reinstated – Loan brought current
- 02 = Assumed
- 03 = Sold
- 04 = Paid in Full – NOT REO
- 05 = Claim Paid

4. Bankruptcy Code – This entry documents the chapter under which the bankruptcy was filed. It is equal to the chapter number: 07, 11, 13.

5. Occupancy Code – This entry identifies the current occupancy status of the property. The code values have been identified as follows:

1 = Owner Occupied
2 = Tenant Occupied
3 = Vacant (Abandoned or otherwise unoccupied)

6. MI Insurance Indicator

1 = Primary MI Coverage Only
A record with this value indicates that the loan has PRIMARY coverage with Arch MI and there is NO POOL coverage on the loan.

2 = Primary and Pool MI Coverage with Arch MI
A record with this value indicates that the loan has PRIMARY and POOL coverage with Arch MI. (Note one record will represent both coverages – the loan will not be reported twice on the tape)

3 = Arch MI Primary Coverage and Pool MI Coverage with DIFFERENT Company
A record with this value indicates that the loan has PRIMARY coverage with Arch MI and POOL coverage with another MI Company.

4 = Pool MI Coverage Only
A record with this value indicates that the loan has POOL coverage with Arch MI and that there is no PRIMARY coverage on the loan.

5 = Arch MI Pool Coverage and Primary Coverage with DIFFERENT Company
A record with this value indicates that the loan has POOL coverage with Arch MI and PRIMARY coverage with another MI.

7. Service Bureau Codes* – This entry identifies the service bureau or software vendor whose collection system created the default EDI File.

001 = Computer Power, Inc. – Jacksonville, FL
002 = Lomas Information Services – Dallas, TX
003 = Data Link Services – South Bend, IN
004 = Capitol Computer Center – Austin, TX
005 = Systematics – Little Rock, AR
006 = Nutrend / Miser – Orlando, FL
007 = American Automated – Forest Park, GA
008 = Financial Accounting Services – Pittsburgh, PA
009 = FISERV – Milwaukee, WI
010 = Dyatron (DCC) – Jacksonville, FL
011 = Financial Information Trust – West Des Moines, IA
012 = Fiserv-TAMPA – Tampa, FL
013 = LoanServ Mortgage Servicing – Baton Rouge, LA
014 = Fiserv- Fresno – Fresno, CA
015 = Fiserv- Orlando (fka Florida Informanagement Services) – Orlando, FL

016 = Metavante – Milwaukee, WI

Service Bureau Codes (cont.)

017 = Fiserv- Greensboro (fka Central Service Corp) – Greensboro, NC

018 = Fiserv- Gold System – Milwaukee, WI

020 = Casnet Group, Inc. – Canton, OH

021 = Bisys – Houston, TX

022 = Intrieve (fka S&L Data Corp) – Cincinnati, OH

023 = Fiserv-White System – Milwaukee, WI

024 = Fiserv-Silver System – Milwaukee, WI

025 = McDonald Computer – Southfield, MI

026 = Jack Henry and Associates – Monett, MO

027 = Interling – Kirkland, WA

028 = Fiserv – Beaumont, TX

029 = Glenn Computer – Southfield, MI

030 = Loan Servicing Systems, Inc. – Las Vegas, NV

031 = Dataone Financial Systems, Inc. – Pittsburgh, PA

032 = Fiserv- Purple System – Milwaukee, WI

033 = Mortgage Computer – Ogden, UT

034 = ZC Sterling (fka American Sterling) – Irvine, CA

035 = Mortgage Services Group – Indianapolis, IN

036 = Fiserv- Jade System – Milwaukee, WI

037 = FPS-Gold – Provo, UT

038 = OSI (Open Solutions Inc.) – Glastonbury, CT

039 = Fiserv-Des Moines – Des Moines, IA

040 = Alltel- Horizon – Maitland, FL

041 = Fitech – Atlanta, GA

042 = Precision Computer Systems – Sioux Falls, SD

043 = Lender Support Systems, Inc. (LSSI) – San Diego, CA

044 = Fiserv- Diamond System – Milwaukee, WI

045 = Fiserv- Tan System – Milwaukee, WI

046 = FICS – Dallas, TX

210 = Bisys-IL – Lombard, IL

211 = Bisys-NJ – Cherry Hill, NJ

212 = Bisys-Houston – Houston, TX

213 = Bisys-Houston – Houston, TX

214 = Bisys-Houston – Houston, TX

215 = Bisys-Houston – Houston, TX

216 = Bisys-Houston – Houston, TX

217 = Bisys-Houston – Houston, TX

218 = Bisys-Houston – Houston, TX

219 = Bisys-Houston – Houston, TX

999 = In-House Lender (The client number will be used to indicate the lender.)

*If no service bureau is used call Arch MI for a service bureau code.

8. MI Company Code – This list of generic codes for MI companies has been established by utilizing lists (from both FNMA and FHLMC) of approved Mortgage Insurers. It has become a standard used by most of the industry. It is wise therefore to adhere to this list of codes when creating default records, but Arch MI can handle different values if necessary. Please contact Arch MI if you wish to use different values.

<u>Generic Code</u>	<u>Mortgage Insurer</u>
001	General Electric Mortgage Insurance Company
002	Investors Mortgage Insurance Company
003	Mortgage Guaranty Insurance Corporation
004	PMI Mortgage Insurance Company
005	Verex Assurance, Incorporated
006	Commonwealth Mortgage Assurance Company
008	Home Guaranty Insurance Corporation
009	Integon Mortgage Guaranty Corporation
010	Old Republic Mortgage Insurance Company
011	Republic Mortgage Insurance Company
013	United Guaranty Residential Insurance Company
014	U.S. Mortgage Insurance Company
015	Vermont Home Mortgage Guarantee Board
016	Wisconsin Mortgage Assurance Corporation
018	Maryland Housing Fund
019	Triad Guaranty Insurance Corporation
033	Radian Guaranty Incorporated
038	Arch Mortgage Insurance Company (formerly CMG MI)
039	United Guaranty Mortgage Indemnity Corporation
VA	VA-Insured
FHA	FHA-Insured