Welcome to Electronic Status Reporting (ESR) Monthly Reporting Electronic Data Interchange (EDI) using X12 files for the Single Family Housing Guaranteed Loan Program!
ESR EDI Submission

Topics:

• Log into ESR

• Submit and Review Monthly Status Reports

• Submit and Review Monthly Default Reports

The topics we will cover today:

• Logging into ESR,
• The submission and review of monthly investor status reports, and
• The submission and review of monthly default status reports.
To access ESR users will first log into USDA LINC from the web address provided on this slide.

From the USDA LINC home page please select “RHS LINC Home” or the “Rural Housing Service” icon.
Under the “Single Family Guaranteed Rural Housing” menu, select “Electronic Status Reporting.”
Log in with e-Authentication

- Level Two account required

This will take you to the e-Authentication log in page.

If you have an activated User ID, please enter it along with your password. Then select “Login.”

If you do not have an activated Level Two e-Authentication account registered with the approved lender for which you are reporting monthly loan statuses for, please refer to the “ESR Introduction” training and the Security section of the ESR User Guide for step by step instructions to create and activate your own e-Auth account.
A successful login for ESR will direct you to this home page.
ESR EDI Submission

Reporting Options

1. Web Reporting: Manual entry of loan status and default reports
2. Electronic Data Interchange (EDI) X12 files (batch file submission)

There are two reporting options available:

1. Web Reporting: Web reporting is the manual data entry of each individual loan in regards to monthly status and default status.

1. The second option is EDI or Electronic Data Interchange. This is the reporting method reviewed in this presentation. Many servicers prefer to create and upload X12 batch files into ESR and then retrieve rejection and/or correction reports.

Both options are available to all loan servicers. Please determine the appropriate reporting method for your needs.
ESR EDI Submission

Reporting Window

Investor Status and Default Status Reports

• Due by the 6th business day, 7pm CST

• No changes or updates allowed until the next month report

• Rejected/Error Corrections: Begin 13th business day – end of calendar month

All monthly investor status and default status reports are due by the sixth government business day at 7 pm Central Standard Time.

No changes or updates to any loan or default status will be allowed until the next monthly reporting cycle.

Rejected loan statuses and/or identified errors may be corrected beginning the 13th government business day of the month until the end of the calendar month.
The main menu options include:

- EDI Reporting
- Web Reporting
ESR EDI Submission

**EDI Status Reporting**

**Monthly Status**
- Entire Portfolio
- Every Month

**Reporting Cycle:**
- 1st day of the month thru 6th Government business day, 7pm CST

The monthly investor status report and default status report must be completed for the entire portfolio of guaranteed loans, and it is due each month.

The monthly reporting cycle is open and available from the first of the month until the 6th government business day at 7pm Central Standard Time!
EDI will allow servicers to:

- Submit X12 batch files of monthly investor status and default reports to USDA, and
- Servicers may retrieve a 997 file to confirm the submission of these reports.

Notice there is no distinction for monthly investor status and monthly default status for EDI Reporting. Servicers will be submitting X12 files for both types of reporting that are due.

Select “Send X12 File” from the EDI Reporting menu to get started!
ESR EDI Submission

Send X12 File
1. Browse to locate file
2. File name will populate data field
3. Submit Transmission

The “Send X12 File” home page will display.

1. Browse your computer files to locate the correct batch file you wish to attach to the submission.
2. The file name will populate in this data field.
3. Then select “Submit Transmission.”
A message will display to confirm your request is being processed.
A successful transmission will be confirmed. It will include:
• The name and size of the file submitted,
• The new name of the file for identification purposes, and
• The date the file was submitted.

If you wish to print a receipt of the submitted transaction you may do so from this page.

This will confirm that all monthly investor status and/or default status reports have been transmitted to USDA.
If you wish to review the Transaction Set file that was submitted you must first select “Retrieve 997 File” from the EDI Reporting menu.

Second, you may click “Download” next to the listed file. These files will typically be available for download within one hour of your submission.
ESR EDI Submission

TS 997: Decipher the Codes
A: Accepted (AKXXX)
E: Accepted, errors noted
R: Rejected

Appendix D: Adjunct Transaction Set
EDI Implementation Guide

When you download a report and wish to see if the codes displayed will indicate the submission was accepted, the following may assist:

• If your codes begin with “A” possibly “AK” and then may be followed by additional numerals, this indicates the submission was accepted.
• If the code begins with an “E”, this means the submission was accepted, but there were errors detected that will require correction.
• If the code begins with an “R” then the files were rejected. These will also require further review and resubmission to USDA.

Appendix D of the ESR Implementation Guide available on USDA LINC’s Training and Resource Library includes additional assistance for these TS 997 codes.
ESR EDI Submission

**TS 997: Error Codes Detected**

- Incorrect Data Type
- Missing required information
- Unrecognized ID code
- Unrecognized segment identifier
- Incorrect segment codes
- Incorrect control codes
- Incorrect numbers

Appendix D details many of the error codes noted on this slide. By reviewing the error code it will assist users to more efficiently correct deficiencies within the rejection and/or correction timeframe.
An important consideration for report submissions is to create your investor status and default status X12 files at the same time. This will help avoid generating conflicts and data entry errors, and it also assists to keep data in sync.
As with Web Reporting, when multiple default codes exist for an individual borrower for this reporting cycle, be sure to include them all in your submission to USDA.

Report each code in the correct order as it pertains to the “Status of Mortgage” codes. For example, the first time you report a loan as delinquent, also known as opening a new delinquent event, you must report code 42.

The most recent “Status of Mortgage” code on the Transaction Set 264 will be the final default status for the applicable reporting period. Therefore, be accurate in your submission of default codes to ensure proper reporting and assist USDA to maintain accurate delinquency records.
Reporting Tips

Multiple Default Codes:  Example

• Account is a minimum of 30 days delinquent: code 42
• Natural disaster hits, dwelling/employment impacted: code 34
• Borrower approved for promise to pay: code 11

Status report will reflect 11
42 and 34 will continue to be reflected in loan history

This a multiple default code example:
• The account is a minimum of 30 days delinquent and has never been reported as a default before. Therefore code 42 must be reported to open the delinquency event.
• The home is delinquent due to a natural disaster that has impacted the borrower’s dwelling and/or employment. Code 34 will denote the natural disaster.
• Finally, the borrower has been approved for a promise to pay in order to correct the delinquency, so the last reported code will be 11.

This means that if the status of the loan were to be pulled in a report, the status of promise to pay would be the reflected code. However, the servicing history would also capture the 42 and 34 as well. These codes are very important to help determine servicing actions and portfolio performance.
Reporting Tips

Multiple Default Codes
Report all codes on the same TS 264
• Same borrower on multiple TS 264’s = last TS 264 received is processed

Another very important point in regards to multiple default codes and accurate reporting applies to Transaction Set 264:
• Be sure to report all applicable codes on the SAME Transaction Set 264 that is transmitted to USDA.
• If the same borrower is listed on multiple Transaction Set 264’s submitted, only the last TS 264 received will be processed. This may result in inaccurate reporting or incomplete reporting records for a loan status.
Reporting Tips

Multiple TS 264 Example

• 1st TS 264: Borrower A: code 42
• 2nd TS 264: Borrower A: code 34
• 3rd TS 264: Borrower A: code 42

The 3rd TS 264 will be the only retained code for Borrower A

This an example of submitting multiple TS 264’s to USDA with the same borrower included on each transaction.

• In the first report submitted, Borrower A was coded as 42 for delinquent.
• In the second report, Borrower A was entered as 34 for a natural disaster.
• The final TS 264 reported Borrower A back to code 42 for delinquent.

Because multiple TS 264’s were submitted with Borrower A listed, each subsequent report did an “override” of the codes for this borrower. So in this example, if a report were pulled after the final TS 264 was submitted, the loan would show as a code 42, when truly the loan should reflect a code 34.

Why is this an issue? When a natural disaster occurs there may be moratoriums that apply or additional loss mitigation options that can be offered due to the disaster. If the loan is not properly reporting, this may create servicing issues and unnecessarily reflect poorly on a lender’s portfolio performance.

Therefore please try to avoid the same borrower listed on multiple TS 264 reports submitted to USDA.
Reporting Window REMINDER

Investor Status and Default Status Reports

• Open the 1st of the month - 6th business day, 7pm CST
• No changes or updates allowed until the next month report
• Rejected/Error Corrections: Begin 13th business day – end of calendar month

AS A FINAL REMINDER:
All monthly investor status and default status reports may begin on the first of the month and are due by the sixth government business day at 7 pm Central Standard Time.

No changes or updates to any loan or default status will be allowed until the next monthly reporting period.

Rejected loan statuses and/or identified errors may be corrected beginning the 13th government business day of the month until the end of the calendar month.
USDA LINC Training and Resource Library website provides a wealth of information and training for ESR and many other USDA Single Family Housing Guaranteed Loan topics including origination, the Guaranteed Underwriting System (GUS), and Loss claims.

You may access ESR information by selecting “Electronic Status Reporting” from the list of links at the top of the Training and Resource Library, or you may scroll down the page until you locate this section. All training and documentation materials will be updated as necessary.
Speaking of new resource assistance, the ESR User Guide will soon be added to the USDA LINC Training and Resource Library to assist users to navigate to topics for assistance.

This slide displays the specific help section for EDI Reporting.
### ESR Help

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Log In problems</td>
<td><a href="mailto:RD.NFAOC.HSB@STL.USDA.GOV">RD.NFAOC.HSB@STL.USDA.GOV</a> 1-877-636-3789 option 1</td>
</tr>
<tr>
<td>Access to ESR</td>
<td></td>
</tr>
<tr>
<td>Correction/Rejection questions</td>
<td></td>
</tr>
<tr>
<td>Technical questions</td>
<td><a href="mailto:RD.GIS.PROD@one.usda.gov">RD.GIS.PROD@one.usda.gov</a></td>
</tr>
<tr>
<td>Business/Operation questions</td>
<td><a href="mailto:SFHGLDPROGRAM@wdc.usda.gov">SFHGLDPROGRAM@wdc.usda.gov</a></td>
</tr>
</tbody>
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This table provides specific resources to assist you with any ESR related questions or technical issues you may encounter. Depending upon your current needs, USDA has a contact option that you can reach out to for help.
This will conclude this session. Thank you very much for your time!
Thank you for your support of the Single Family Housing Guaranteed Loan Program! We are proud to partner with you to serve more rural homebuyers nationwide!