Welcome to an Introductory overview of Electronic Status Report or ESR for Single Family Housing Guaranteed loans.
ESR Introduction

Topics

• ESR Basics
• Sign up / E-Authentication
• Access ESR
• Resources

The topics for this module include:
• Discuss ESR basics,
• Review how to sign up for e-Authentication,
• Access ESR online, and
• Review valuable resources available to ESR users.
Electronic Status Reporting: ESR

- Electronically capture current loan status and delinquency information
- Monitor USDA portfolio and lender performance
- Servicers report loan and default status monthly

Electronic Status Reporting or ESR is very important for USDA and our lending and servicer partners.

ESR allows servicers to electronically submit monthly loan status and delinquency information for guaranteed loans.

USDA utilizes ESR to monitor the loan portfolio and lender performance.

The investor loan status and default status for each loan will now be required on a monthly basis. This will provide more timely reporting and portfolio performance metrics.
Electronic Status Reporting: Monthly

Two Options to report:

1. **Web Reporting:** Individual manual entry/review

2. **Transmit/Review EDI X12 files (batch submissions)**

There are two options available for servicers in order to submit monthly loan updates:

1. **Web Reporting:** This requires the manual entry and review of each loan in a lender’s portfolio through USDA’s online system. or

2. **Electronic Data Interchange (EDI) which allows servicers to submit X12 batch files.** These batch files allow the entire portfolio to be uploaded and submitted to USDA in one transaction. This option eliminates the need for the servicer to manually enter data and individual loan status for each loan they service.
Investor Status, for current loans, and Default Status reports for delinquent loans are due by the 6th government business day before 7 pm Central Standard Time.

Once the web reporting or EDI batch submissions are received, no changes or updates to these status reports are allowed until the next month reporting timeframe is due.

If an investor status or default status is rejected by the ESR system or errors are detected, these loans will be available for review and correction through reports the servicer may access. Servicers may begin correcting these rejected loans on the 13th government business day, and will be able to resubmit corrections to the entered data until the end of the calendar month.
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Reporting Follows Servicing!

- Report each DQ and/or servicing event(s)
- Approved Lender/Servicer is responsible for timely/accurate reporting

When a loan is delinquent and a servicing action or multiple actions have been initiated, approved, or completed: these actions must be reported for the delinquent loan. By reporting all applicable actions or codes, USDA and the lender will have a well-documented record of all efforts made to appropriately service the loan and assist the borrowers.

The approved servicer is responsible to submit timely and accurate reports to USDA as stated in the 7 CFR 3555, lender/servicer agreement, and trading partner agreement.
This is an example of accurate reporting when a servicing action has occurred.

- A loan is reported delinquent, or code 42, on June 4th. This would occur during the May reporting window which begins June 1st. This will indicate that the loan is a minimum of 30 days delinquent and no other servicing actions have occurred.
- On June 20th a loan modification is approved by the servicer. The servicer cannot access ESR and update this one loan status. Therefore the next opportunity to report servicing actions and/or delinquency status for this loan will be the reporting window that opens July 1st, which will allow the lender to update June loan statuses.
- When ESR is available in the first 6 government business days in July, the servicer will report the loan as a code 28 to indicate a loan modification has been approved.
Gain Access to ESR

1. Approved USDA Lender / Servicer
2. Activated e-Authentication Account: Level Two
3. Approved Trading Partner Agreement w/USDA

So how do you access ESR? Let’s walk through each necessary step or required agreement.
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Gain Access to ESR

1. Approved USDA Lender / Servicer
   - Form RD 3555-16
   - [https://forms.sc.egov.usda.gov/eForms/searchAction.do](https://forms.sc.egov.usda.gov/eForms/searchAction.do)

Your company or each company that you may work with to service USDA guaranteed loans, must have an approved Lender/Servicer Agreement on file with USDA. This agreement is Form RD 3555-16 and available online at the weblink provided.
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Gain Access to ESR

1. Approved USDA Lender / Servicer
   - Form RD 3555-16

The Lender/Servicer Agreement is four pages long. This is an image of the first page.
The next step will be to secure an activated e-Authentication account with Level Two access.

Each user that will access ESR or any USDA system must have their own e-Auth account. Sharing one account between two or more users is unauthorized. If shared accounts are discovered by USDA it may result in the trading partner and approved participant agreements being revoked.
Creating a Level Two e-Auth account is easy!

First access the USDA LINC home page, and select RHS LINC Home.
Select Electronic Status Reporting.
If you already have a Level Two e-Auth account, you can enter your User ID and Password to log in.
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Need an e-Authentication Account?

• Select Create an account

But if you need to establish an e-Auth account, please select “Create an account” from the Quick Links menu.

Enter the required information to set up a new account.
Create e-Authentication Account: LEVEL TWO

• ESR User Guide: Gaining Access to ESR
• Step by Step Instructions
• Provide activated e-Auth ID to SA

There is step by step assistance available to help you complete the data fields contained with the ESR User Guide in the “Gaining Access to ESR” section.

This portion of the user guide helps users to establish a new e-Authentication account or update an existing Level One e-Auth account to a Level Two.

Be alert for an email that will arrive and contain a link to activate the e-Authentication account. If you fail to click on the activation link, your account will not be active.
The final item required from your company is an approved trading partner agreement in order to access USDA online systems. This agreement is available from the USDA LINC Training and Resource Library. The current weblink is shown on this slide.
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ESR User Agreement

Electronic Status Reporting (ESR)

When you are on the Training and Resource Library site, near the top, there is a list of topics contained on this webpage. Rather than scrolling down the page to find the ESR section, you can click directly on “Electronic Status Reporting” and then arrive directly at this section.

The Trading Partner Agreement is available under the Documentation and Resources.
This is the first page of the Trading Partner Agreement. It is 7 pages in length and is in a fillable pdf format.
The 6th page of the agreement will capture a lot of very important information including:

- Lender/Servicer Information
- Security Administrators: It is recommended that two Security Administrators are included. In the event that one SA is on vacation, ill, or leaves the company, there will be at least one other SA available to activate employees in USDA systems and add or remove privileges.
- Lenders and Servicers may submit the trading partner agreement with an electronic signature.
The final page of the agreement will include instructions on how to submit the completed form to USDA.

Emailing the form to USDA is preferred. It allows for a more efficient delivery and receipt for all parties.

When the trading partner agreement is approved by USDA, the SA’s listed on page 6 will receive an email confirmation that the company is now approved to use the ESR system.
If your company has been approved by USDA to participate in the guaranteed loan program and access USDA systems AND you have an activated Level Two e-Authentication User ID: IT’S TIME TO LOGIN AND START REPORTING!
Access ESR from the USDA LINC home page, by selecting “RHS LINC Home”.
Select the “Electronic Status Reporting (ESR)” link.
Log in with E-Authentication

- Level Two account required

Enter your activated User ID and Password for your Level Two e-Auth account, and then select “Login.”
A successful login will place you at the ESR home page.

From this screen you will be able to select your reporting method of EDI or Web Reporting.
Just a reminder that the USDA LINC Training and Resource Library is a wealth of training and documentation resources. New items will be posted as they become available.
The ESR User Guide features a Table of Contents that has many easily accessible topics to assist you in entering your monthly investor and default status reports. The User Guide is coming soon/available on the USDA LINC Training and Resource Library.
Please sign up for GovDelivery messages. USDA sends out origination (including GUS) and servicing messages to alert lending, servicing, and real estate professional partners of new publications, clarifications, and additional program updates.

From the USDA LINC Training and Resource Library home page, you can click on the third option from the left, which has a picture of a letter on it.
This will take you to the GovDelivery sign up page. You may unsubscribe to any updates you select at any time.
This table provides specific resources to assist you with any ESR related questions or technical issues you may have. Depending upon your current needs, USDA has a contact option that you can reach out to for help.

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<thead>
<tr>
<th>ISSUE</th>
<th>CONTACT</th>
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<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>
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<tr>
<td>Access to ESR</td>
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<td>Correction/Rejection questions</td>
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<td>Technical questions</td>
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<td><a href="mailto:SFHGLDPROGRAM@wdc.usda.gov">SFHGLDPROGRAM@wdc.usda.gov</a></td>
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This will conclude the ESR Introduction session. Thank you for joining us today!
Thank you for your support of the Single Family Housing Guaranteed Loan Program. We appreciate the opportunity to help you assist rural homebuyers and homeowners across the nation.