

## What to Do When the Servicer Denies Because They Re-ran the NPV Test

### 1. Ask when they ran it the first time

- The NPV test should be run before the trial plan offer is extended. HB Section 5 (p.31), SD09-01 (p. 4), HAMP Checklist for Verified Trial Period Plans (p. 7), FAQ 2314.
- Check what version of the NPV test was in effect at that time. The version used the first time they run the NPV test must be used for any subsequent runs of the NPV test. HB Section 7.6.1 (p. 45), FAQ 1808, 1809.

### 2. Ask why they re-ran the test

- HAMP only provides for the NPV test to be run twice: once, when there is a verbal request for a modification and once, when verified income is submitted. HB Section 7 (p. 43), HB Section 7.6 (p. 44-45), FAQ 2314.
- Servicers do not need to update property valuations or re-run the NPV test to account for updated property valuations. HB Section 6.8 (p. 42), FAQ 2100, SD09-07 (p. 6).
- Servicers do not need to re-run the NPV test if escrow amounts, including tax and insurance payments, change. HB Section 9.3.7.6 (p. 51), FAQ 2209.
- Servicers should not re-run the NPV test when approving the final, permanent modification; they should only re-visit the waterfall to determine the final payment, principal, and forbearance amounts. HB Section 6.6.1 (p. 40), FAQ 2314.
- Servicers cannot use the NPV test for other purposes, other than those specified in their contracts—which should mean that the NPV test cannot be re-run because an investor asks. HB Section 7.1 (p. 43), FAQ 1812.

### 3. Ask what version of the test they used and what inputs they held constant.

- The servicer can only change the following inputs and only if they were inaccurate when the servicer first ran the NPV test: association fees, insurance, taxes, income, and the post-modification terms determined by the income (the unpaid principal balance, monthly payment, principal forbearance amount, amortization term, and interest rate after modification). HB Section 7.6.1 (p. 45-46), FAQ 1810. Note that a change in the association fees, insurance, or taxes is not a reason to re-run the NPV test. HB Section 7.6.1 (p. 45-46), FAQ 2209.
- When the servicer re-runs the NPV test, they must use the same version of the NPV test. HB Section 7.6.1 (p. 45), FAQ 1808, 1809.

### 4. If the NPV test was run with inaccurate inputs, ask them to run it again.

- Servicers must re-run the test if the homeowner identifies inaccuracies in the inputs the servicer used, and the correct inputs would change the NPV result. HB Section 2.3.2.1 (p. 25), SD09-08, (p. 3).

### 5. Escalate!

- E-mail [escalations@hmpadmin.com](mailto:escalations@hmpadmin.com).
- Ask for Ken Hannold if escalations isn't satisfactory.