



Servicing Guide Announcement (SVC-2022-07)

Oct. 12, 2022

The *Servicing Guide* has been updated to include changes to the following:

- [Mortgage insurance termination property valuations*](#): updates property valuation fees for borrower-initiated mortgage insurance termination
- [Full reinstatement by mortgage assistance funds*](#): removes the requirement that a servicer cancel an active mortgage loan modification Trial Period Plan when mortgage assistance funds fully reinstate the mortgage loan
- [Miscellaneous updates*](#):
 - introduces new process for submitting bankruptcy cramdowns and updates requirements for remitting payments received for the unsecured debt, and
 - updates the list of allowable states for remote online notarizations.

View the list of [impacted topics](#).

*Policy change not applicable to reverse mortgage loans.

Mortgage insurance termination property valuations

We updated the fee amounts the servicer must charge for a broker price opinion or restricted appraisal of a one-unit property in connection with a borrower-initiated mortgage insurance termination request. There is no change to the cost for an appraisal of a two- to four-unit property.

Effective: These changes are effective for property valuations ordered beginning Feb. 1, 2023.

Full reinstatement by mortgage assistance funds

Currently, the servicer is required to cancel a mortgage loan modification Trial Period Plan if the mortgage loan is fully reinstated as a result of mortgage assistance funds. We updated the *Servicing Guide* to require servicers to immediately contact our Loss Mitigation [mailbox](#) upon application of mortgage assistance funds that fully reinstate the mortgage loan during an active mortgage loan modification Trial Period Plan. Servicers must contact us to obtain our assistance with appropriately completing the mortgage loan modification, including satisfying any conditions related to MBS trust requirements.

Effective: Servicers are encouraged to implement this policy change immediately, but must do so by Dec. 1, 2022.

Miscellaneous updates

Bankruptcy cramdowns*. Servicers are currently required to report the terms of a confirmed bankruptcy cramdown by emailing a completed [Bankruptcy Cramdown Template](#). We are introducing a new process for servicers to submit cramdowns via the Servicing Management Default Underwriter™. We also amended the requirements for remitting post-confirmation payments received for the unsecured portion of the debt to reflect the current process in place.

Effective: Servicers are encouraged to implement the new cramdown submission process immediately, but must do so by Mar. 1, 2023. The clarification for remitting unsecured debt payments is effective immediately.

Remote online notarization requirements*. We recently updated the list of states where remote online notarizations are permissible in the *Selling Guide*. See Announcement [SEL-2022-08](#).

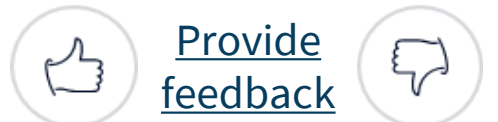


See the *Servicing Guide* for details about these updates.

Servicers who have questions about this Announcement should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643).

Have *Guide* questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).

Let your voice be heard! We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Announcement.





Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated Oct. 12, 2022)
Mortgage insurance termination property valuations	<ul style="list-style-type: none">▪ F-1-02, Escrow, Taxes, Assessments, and Insurance
Full reinstatement by mortgage assistance funds	<ul style="list-style-type: none">▪ D2-3.1-05, Interacting with Mortgage Assistance Fund Program Providers▪ F-4-02, List of Contacts
Bankruptcy cramdowns	<ul style="list-style-type: none">▪ E-1.3-01, General Servicer Responsibilities for Non-Routine Matters▪ E-2.2-02, Managing Chapter 11 Bankruptcies▪ E-2.3-03, Handling Cramdowns of the Mortgage Debt▪ F-3-02, Acronyms and Glossary of Defined Terms: B▪ F-4-01, References to Fannie Mae's Website▪ F-4-02, List of Contacts
Remote online notarization requirements	<ul style="list-style-type: none">▪ A2-5-01, Ownership and Retention of Individual Mortgage Loan Files and Records