

Date: January 9, 2009

To: All Fannie Mae Single-Family Servicers

Subject: Lender Letter 01-2009: Extension of the Temporary Halt to Foreclosures and Evictions

Introduction

In Lender Letter 04-08 issued on November 20, 2008, Fannie Mae announced a temporary halt to all foreclosure sales of occupied single-family properties as well as to the completion of evictions from single-family properties scheduled to occur from November 26, 2008 through January 9, 2009. The foreclosure halt applies to all portfolio mortgages and all MBS pool mortgages owned or guaranteed by Fannie Mae and to foreclosures of homes that are already in process with foreclosure sale dates scheduled during the halt period.

This Lender Letter extends the halt period to January 31, 2009 and updates guidelines that are applicable to foreclosures. The extension allows servicers additional time to work with borrowers facing foreclosure using Fannie Mae's available foreclosure prevention options, including the Streamlined Modification Program announced in Announcement 08-33, *Introduction of the Streamlined Modification Program* on December 12, 2008.

Foreclosures

The temporary foreclosure halt now applies to all single-family properties (occupied and vacant properties), secured by a conventional mortgage loan, which have or will have a foreclosure sale date scheduled through January 31, 2009. Mortgages insured or guaranteed by a federal government agency are not eligible for the temporary foreclosure halt. As a servicer takes action to comply with this Lender Letter, there may be a small number of sales for vacant properties that cannot be reasonably postponed or halted. For these cases, Fannie Mae will not require reversal of the foreclosure sale as long as the property is vacant.

This initiative does not affect mortgage loans that have not yet been referred to foreclosure. Servicers and foreclosure attorneys (or trustees) should follow the foreclosure policy guidance contained in the Fannie Mae *Servicing Guide* for all loans previously referred and for all new referrals as long as such actions do not result in foreclosure sales being scheduled during the halt period.

Evictions

Fannie Mae will extend the temporary halt on evictions from properties through January 31, 2009.

Delinquency Status Reporting and Tracking

As a reminder, servicers should continue to report the “delinquency status” and “reason for delinquency” codes and delinquency code “effective dates” when transmitting monthly delinquency status information as described in the *Servicing Guide*, Part VII, Chapter 6: Delinquency Status Reporting.

Servicers are also reminded they must maintain a schedule of all foreclosure sales affected by the halt for the months of November 2008 through January 2009, and provide the schedule within 10 business days after the end of each month. The schedules must be submitted to Fannie Mae to the following email address: foreclosure_halt@fanniemae.com.

Servicers should refer to Lender Letter 04-08 for additional details on the temporary halt and contact the National Servicing Organization’s Servicing Solutions Center at 1-888-326-6438 (option 2 – Servicing, then option 3 – General Servicing) if they have questions.

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