

Date: February 17, 2009

To: All Fannie Mae Single-Family Servicers

Subject: Lender Letter 03-2009: Temporary Halt to Foreclosures and Evictions

Introduction

Fannie Mae is committed to assisting homeowners impacted by the national housing crisis and is taking additional steps aimed at keeping families in their homes. With the anticipated announcement by the Obama Administration of a foreclosure prevention and loan modification program, Fannie Mae is again instituting a temporary halt to all foreclosure sales on occupied single-family properties scheduled to occur from February 17 through March 6, 2009. The temporary foreclosure halt will apply to portfolio mortgages and MBS pool mortgages owned or guaranteed by Fannie Mae and to foreclosures of homes that are already in process. Fannie Mae is also extending its existing temporary halt of all eviction proceedings through March 6, 2009.

Foreclosures

The temporary foreclosure halt applies to all occupied single-family properties secured by conventional mortgage loans that have scheduled foreclosure sale dates between February 17 and March 6, 2009. Mortgages insured or guaranteed by a federal government agency are not eligible for the temporary foreclosure halt. Foreclosure sales may proceed on vacant properties.

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.

During this temporary halt period servicers will have 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.

Evictions

Fannie Mae is also extending the existing temporary halt on eviction proceedings through March 6, 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, and must provide the schedule to Fannie Mae within 10 business days after the end of the month. The schedules must be submitted to Fannie Mae to the following email address: foreclosure_halt@fanniemae.com.

Servicers should 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.

Michael A. Quinn
Senior Vice President
Single-Family Risk Officer