



## ***Servicing Guide Announcement SVC-2019-07***

**November 13, 2019**

### ***Servicing Guide Updates***

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

- Canceling Property and/or Flood Insurance When Fannie Mae Acquires the Property
- Reporting Anti-Money Laundering Activity
- Miscellaneous Revisions
  - Consolidation of Application and Approval of Seller/Servicer Policy
  - Update to Contacts

#### **Canceling Property and/or Flood Insurance When Fannie Mae Acquires the Property**

To simplify the servicer's process and support our collateral management strategies, we are updating and streamlining our requirements related to canceling property insurance and flood insurance, if applicable, when a property is acquired.

Currently for conventional first- and second-lien mortgage loans, the time at which the servicer must cancel an applicable property insurance policy and flood insurance policy may differ depending on the individual circumstances related to the liquidated mortgage loan. With this update, the servicer must now cancel any property insurance policy and flood insurance policy, if applicable, within 14 days after the foreclosure sale or the acceptance of an executed Mortgage Release™, regardless of whether there is an applicable waiting period, such as a redemption or court confirmation or ratification.

We are also eliminating the servicer's post-foreclosure responsibility to complete a property inspection within 15 days after the foreclosure sale and file a flood insurance claim, when applicable. We will work with its vendors to perform these preservation activities once the property is acquired.

#### **Updated *Servicing Guide* Topics**

- [E-4.3-02, Inspecting Properties Post-Foreclosure Sale](#)
- [E-4.4-01, Continuing or Canceling Property Insurance Coverage](#)
- [E-4.4-03, Canceling Flood Insurance Coverage for Acquired Properties](#)
- [F-1-05, Expense Reimbursement](#)
- [F-4-03, List of Contacts](#)

#### **Effective Date**

Servicers are encouraged to implement these policy changes immediately, but must do so by February 1, 2020.



## Reporting Anti-Money Laundering Activity

All sellers/servicers, including those not subject to the anti-money laundering provisions of the Bank Secrecy Act (BSA), must now report loan-level instances of suspicious activity using the self-report functionality in Loan Quality Connect™. This policy change was communicated in [SEL-2019-08](#), *Selling Guide Updates*, on October 2, 2019.

### Updated *Selling Guide* Topics

- [A3-2-01, Compliance With Laws](#)
- [E-1-04, List of Contacts](#)

### Effective Date

Servicers are encouraged to implement this policy change immediately, but must do so by March 31, 2020.

## Miscellaneous Revisions

**Consolidation of Application and Approval of Seller/Servicer Policy.** *Servicing Guide* [A1-1-01, Application and Approval of Seller/Servicer](#) has been condensed to now refer to our [website](#).

**Update to Contacts.** *Servicing Guide* [F-4-03, List of Contacts](#) has been updated to reflect a new email address to contact us. The new address can be used for inquiries related to and to submit the *Certificate of Authority, Incumbency, and Specimen Signatures* ([Form 360](#)) and the *Authorization for Automatic Transfer of Funds* ([Form 1072](#)).

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Contact your Fannie Mae account team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

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