

## ***Servicing Guide* Announcement SVC-2012-10**

June 13, 2012

### **Update to Notice of Data Breach and Incident Response Policy**

Fannie Mae currently provides instructions to servicers regarding protection of Nonpublic Personal Information (NPI). State and federal laws require that consumers be notified when their NPI has been compromised. An incident of unauthorized access or use of borrower information (a data breach) is defined as any loss, unauthorized use, disclosure, unauthorized access, or unauthorized acquisition of information that is considered NPI (as defined by the Gramm-Leach-Bliley Act, 15 USC § 6809).

With this Announcement, Fannie Mae is updating its policy to require servicers to notify Fannie Mae of a data breach. The servicer must maintain a response program consistent with the requirements of the Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice (12 CFR Parts 208 and 225) for all Fannie Mae mortgage loans.

### **Effective Date**

Servicers are required to implement the policy changes in this Announcement immediately for all loans where a data breach occurs on or after the date of this Announcement.

### **Notice of Data Breach**

#### ***Servicing Guide*, Part I, Section 307: Compliance with Applicable Laws and Section 309: Conflict of Interest/Confidentiality**

When the servicer determines there has been an incident of unauthorized access to or use of borrower information, the servicer must notify the borrower(s) and any other state agencies or other bodies as designated by the privacy and data security breach laws.

In the case of a data breach, the servicer must notify the borrowers and state agencies or other bodies as required by privacy and data security breach laws. Verbal notices are prohibited. Servicers must place a copy of the notice in the mortgage loan file and notify the National Servicing Organization's Servicer Solutions Center at 1-888-326-6435 or via email to [servicing\\_solutions@fanniemae.com](mailto:servicing_solutions@fanniemae.com).

### **Data Breach Incident Response**

#### ***Servicing Guide*, Part I, Section 309: Conflict of Interest/Confidentiality**

The servicer must provide written notice to Fannie Mae's Privacy Office of the data breach incident, no later than 72 hours after the servicer is made aware of the incident if:

- the incident affects 10 or more borrowers,
- the incident requires notice to state agencies or other regulatory bodies designated by privacy and data security breach laws, or
- the incident involves the intentional misuse of borrower NPI.

Written notice of the incident must be sent to Fannie Mae at [Privacy\\_WorkingGroup@fanniemae.com](mailto:Privacy_WorkingGroup@fanniemae.com) and must include:

- a detailed description of the scope of the incident,
- a description of the related NPI,
- the root cause (if known),
- the response plan, and
- a copy of the breach notice that the servicer plans to send to the borrower(s) or an explanation as to why the servicer is not sending a breach notice.

## **Requirements for any Data Breach**

Regardless of the number of affected borrowers, the servicer must request permission to use Fannie Mae's name from the Fannie Mae Privacy Office if the servicer intends to refer to Fannie Mae in any notices sent to affected borrowers or regulatory agencies.

The servicer must fully cooperate with Fannie Mae, including, without limitation, providing information and access as requested to enable Fannie Mae to comply with its legal, regulatory, and privacy incident management obligations.

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Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicing Solutions Center at 1-888-FANNIE5 (888-326-6435) with any questions regarding this Announcement.

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