

***Servicing Guide* Announcement SVC-2012-15**

August 8, 2012

Updates to Document Custodian and Custodial Depository Requirements

This Announcement describes updates to:

- Document custodian's requirement to notify Fannie Mae of a full or partial acquisition of a document custody business
- Financial rating agencies for document custodian eligibility
- Financial rating agencies for custodial depositories

All references in this Announcement to a document custodian apply to both independent and lender-affiliated document custodians that hold or certify loan documents on behalf of Fannie Mae.

Effective Date

Servicers are required to implement the policy changes in this Announcement immediately.

Full or Partial Acquisition of a Document Custody Business

Servicing Guide, Part I, Section 404.09: Change in Document Custodian's Organization or Ownership

Fannie Mae is establishing a policy that requires both an existing and a new document custodian to provide at least 30 days advance written notice to Fannie Mae when all or part of the existing document custodian's custody business is being acquired by the new document custodian ("custody acquisition"), but the servicer remains the same.

The document custodians must comply with all requirements Fannie Mae may prescribe in connection with its review of the proposed custody acquisition. In addition, the document custodians must take the following specific actions:

- The existing document custodian and the new document custodian must provide advance written notice of the custody acquisition to the affected servicers.
- The existing document custodian is responsible for controlling the documents and maintaining their integrity until the documents are released to the new document custodian. Before documents can be transferred to a new document custodian, the new document custodian must execute a *Master Custodial Agreement* ([Form 2003](#)) or *Designated Custodian Master Custodial Agreement* ([Form 2010](#)), as applicable, to cover the transferred MBS pools (or the individual mortgages being transferred), unless it already has a custodial agreement with the applicable servicer on file with Fannie Mae.
- The existing document custodian must deliver all of the required documents to the new document custodian in a timely manner to ensure that the new document custodian has adequate time to review the files and execute a recertification of the pool, in accordance with the requirements in Section 11.2 of the [Requirements for Document Custodians](#).

- The new document custodian is responsible for reviewing the transferred documents in a timely manner to ensure the required recertification can be prepared within six months after the effective date of the custody acquisition.

Financial Rating Agencies for Document Custodian Eligibility

Servicing Guide, Part I, Section 404.04: Eligibility Requirements for Document Custodians

Due to the announcement by Fitch, Inc., of the retirement of their Individual Rating, Fannie Mae is eliminating Fitch, Inc., as one of the three financial rating firms that may be used to satisfy the document custodian's eligibility requirements. Document custodians must now use either IDC Financial Publishing, Inc., or Kroll Bond Rating Agency, Inc., (KROLL) (formerly known as LACE Financial Publishing Corporation (LACE)), for their financial rating eligibility requirements.

Financial Rating Agencies for Custodial Depositories

Servicing Guide, Part IX, Section 103: Eligible Custodial Depositories

All references to LACE will be changed to KROLL for all custodial depository requirements.

NOTE: The Selling Guide and Requirements for Document Custodians guide will be updated shortly to reflect the changes in this Announcement, as applicable.

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

Gwen Muse-Evans
Senior Vice President
Chief Risk Officer for Credit Portfolio Management