

Servicing Guide Announcement SVC-2012-14

August 8, 2012

Termination of Mandatory Pre-Filing Mediation for Mortgage Loans in Florida

In SVC-2010-13, *Mandatory Pre-filing Mediation Policy for Mortgage Loans in Florida*, released on August 31, 2010, Fannie Mae issued a mandatory pre-filing mediation policy for mortgage loans in Florida. The policy was developed in response to the December 2009 Florida Supreme Court Administrative Order that required servicers to conduct mediation with delinquent borrowers during active foreclosure lawsuits.

Fannie Mae frequently reviews its default-related policies to assess their efficacy and to identify changes that may be appropriate. In light of several new and updated policies with similar goals, the company has decided to cease the mandatory pre-filing mediation program. The objectives of reaching borrowers in the earlier stages of delinquency and avoiding a lengthy judicial foreclosure process are the same goals that the company is seeking to achieve through operating its Florida Mortgage Help Centers, in conducting Florida borrower outreach events, and through the alignment of practices related to servicing delinquent mortgages led by the Federal Housing Finance Agency.

Effective Date

Effective October 1, 2012, Fannie Mae is retiring its mandatory pre-filing mediation program for mortgage loans in Florida.

Termination of Florida Pre-Filing Mediation

Servicing Guide, Part VII, Section 611: Mandatory Pre-Filing Mediation Policy for Mortgage Loans in Florida

Fannie Mae currently requires servicers to assign delinquent mortgage loans secured by properties in Florida to an attorney from Fannie Mae's Retained Attorney Network (RAN) to determine whether the loans are eligible for mediation prior to the initiation of foreclosure proceedings. With this Announcement, Fannie Mae is discontinuing its pre-filing mediation program for mortgage loans in Florida.

Servicers must continue to comply with the delinquency management and default prevention requirements in the *Servicing Guide* and in all related Announcements, as applicable. Servicers must instruct their Florida RAN law firms to discontinue, effective October 1, 2012, uploading newly-referred homestead loans into the Clarifire[®] mediation management system.

Florida borrowers who have opted-in to the pre-filing mediation program prior to October 1, 2012, will be allowed to complete counseling and attend mediations pursuant to the current program requirements. Servicers and the Florida RAN law firms must continue the pre-filing mediation program for those borrowers who have opted-in prior to October 1, 2012, until either:

- the borrower has completed a mediation session, or
- the case has been closed pursuant to the issuance of a Certificate of Non-Participation in accordance with the current program requirements.

Fannie Mae will pay the pre-filing mediation fees directly to the vendor for those borrowers who have opted-in prior to October 1, 2012.



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.

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