

***Servicing Guide* Announcement SVC-2012-24**

November 28, 2012

Foreclosure Sale Postponement

***Servicing Guide*, Part VIII, Section 107.01: Servicer-Initiated Temporary Suspension of Proceedings**

Currently, Part VIII, Section 107.01: Servicer-Initiated Temporary Suspension of Proceedings of the *Servicing Guide* sets forth terms and conditions under which servicers may delay the foreclosure process for mortgage loans that are equal to or less than 12 months delinquent that have been referred to foreclosure prior to receipt of a complete Borrower Response Package. With this Announcement, servicers must comply with these terms and conditions for all mortgage loans that have been referred to foreclosure prior to receipt of a complete Borrower Response Package, regardless of the length of the delinquency. Servicers are no longer required to obtain approval from Fannie Mae to postpone a foreclosure sale for a mortgage loan that is greater than 12 months delinquent as measured from the last paid installment date.

As a reminder, Fannie Mae has established time frames within which it expects routine foreclosure proceedings to be completed (Part VIII, Section 106.08: Allowable Time Frames For Completing Foreclosure). If the number of days within which foreclosure proceedings for a mortgage loan are completed exceeds the maximum number of allowable days, and no reasonable explanation for the delay is provided to Fannie Mae through monthly delinquency status reporting or other information exchanges, Fannie Mae will impose a compensatory fee (Part I, Section 201.11.07: Delays in Liquidation Process).

Servicers are also reminded that in Part I, Section 308: Compliance with Requirements of Insurer/Guarantor, the *Servicing Guide* requires that they comply with all requirements that FHA, VA, HUD, RD, or the mortgage insurance companies have for mortgage loans that they insure or guarantee. The servicer must not take any action that might prevent Fannie Mae from recovering the full amount due under the guaranty or the full claim under the insurance contract.

This policy change is effective immediately for any loan scheduled for foreclosure sale on or after the date of this Announcement.

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

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