

Servicing Guide Announcement SVC-2014-10

June 4, 2014

Updates to Fannie Mae Unemployment Forbearance

Effective Date

Servicers are encouraged to implement the revised policies immediately; however, implementation of these policies must occur no later than September 1, 2014.

Granting Unemployment Forbearance

Servicing Guide, Part VII, Section 403: Forbearance and Section 403.01: Forbearance for Unemployed Borrowers

Fannie Mae is updating its requirements to allow the servicer to approve a borrower for the initial Fannie Mae Unemployment Forbearance program provided that;

- the borrower's mortgage payment is in imminent default or the mortgage loan delinquency is less than or equal to 12 months as of the evaluation date; and
- all other applicable Unemployment Forbearance eligibility requirements are met, as stated in the *Servicing Guide*.


As a reminder, the initial unemployment forbearance period is the lesser of six months or upon notification from the borrower of re-employment.

Delegation for Extending Unemployment Forbearance

Servicing Guide, Part VI, Section 302.01: Mortgage Loans Reported as Forbearance for Six Consecutive Months; Part VII, Section 403: Forbearance; Servicing Guide Announcement SVC-2012-01: Introduction of Fannie Mae Unemployment Forbearance; Servicing Guide Announcement SVC-2013-20: Delinquency Management and Default Prevention Updates Related to the Consumer Financial Protection Bureau Mortgage Servicing Rules and Other Servicing Responsibilities

The servicer is now authorized to approve an Unemployment Forbearance extension without obtaining Fannie Mae approval, if all other applicable Unemployment Forbearance extension eligibility requirements are met, as stated in the *Servicing Guide*. As a reminder, an extension of any Unemployment Forbearance must not be for a term that would cause the delinquency to exceed 12 months of the borrower's contractual monthly mortgage loan payment, including taxes and insurance if the servicer is collecting escrows for such expenses.

Also, as a reminder, the servicer is authorized to offer forbearance (a temporary suspension or reduction in borrower payments) for no more than six consecutive months while the mortgage loan remains in the MBS pool. If forbearance extends beyond the sixth consecutive month of forbearance, then the mortgage loan must be removed from the MBS pool immediately after six months of forbearance have been reported.



If the mortgage loan does not meet the eligibility requirements for the Unemployment Forbearance program, and the servicer believes, based on the borrower's circumstances, that a Fannie Mae Unemployment Forbearance is appropriate, the servicer must submit an Unemployment Forbearance recommendation to Fannie Mae for approval to forbearance_ext_requests@fanniemae.com.

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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