

Servicing Guide Announcement SVC-2015-09

June 10, 2015

Servicing Guide Updates

The *Servicing Guide* has been updated to include the following:

- Introduction to New Fannie Mae Custodial Document Reconciliation Requirements
- Updates to Requirements Related to Adverse Action
- Updates to Fannie Mae's Investor Reporting Manual
- Extension of Fannie Mae HAMP/2MP and Elimination of Streamlined Modification Program Expiration Dates
- Updates to Fannie Mae's Allowable Bankruptcy Attorney Fees Exhibit
- Miscellaneous Revisions
- Clarifications to HAMP Borrower "Pay for Performance" Notice Requirements

Each of these updates is described below. The servicer must review each topic in the *Servicing Guide* in its entirety to gain a full understanding of the policy change(s).

Introduction to New Fannie Mae Custodial Document Reconciliation Requirements

The *Servicing Guide* has been updated with new requirements that will allow the document custodian to reconcile the custodial files that it has in its possession and provide a list to Fannie Mae at any time upon request.

- *Servicing Guide* [A2-6-01, Custodial Documents](#) has been updated to require the servicer to provide an electronic list that identifies, by Fannie Mae loan number, all, or a portion of, the mortgage loans serviced by the servicer for which the document custodian holds custodial documents to the document custodian within 30 days of such a request from the document custodian.
- *Servicing Guide* [A2-6-04, Operational Requirements Applicable to All Document Custodians](#) has been updated to require the document custodian to have a process in place to electronically obtain from the seller/servicer and retain the Fannie Mae loan number for every mortgage loan for which it provides custodial services, and be able to respond to Fannie Mae's requests for the loan numbers for reconciliation and other purposes.
 - For every mortgage loan certified on and after October 1, 2015, the document custodian must obtain, within 30 days of certification, the Fannie Mae loan number for each mortgage loan for which it provides custodial services.
 - For mortgage loans certified before October 1, 2015, the document custodian implementation timeline for reconciling the Fannie Mae loan number is based on the number of mortgage loans for which the

document custodian holds custodial files. Document custodians must complete and submit a reconciliation loan list to Fannie Mae by the dates noted below:

- 0 - 49,999 loans in custody — No later than March 31, 2016;
 - 50,000 - 999,999 loans in custody — No later than June 30, 2016;
 - 1,000,000 - 1,999,999 loans in custody — No later than September 30, 2016;
 - 2,000,000 + loans in custody — No later than March 31, 2017.
- *Servicing Guide* [A2-6-05, Transfer of Custodial Documents to a Different Document Custodian](#) has been updated as follows:
- Requires the servicer to list the Fannie Mae loan number for each mortgage loan expected to be in the pool as of the date of the proposed document transfer, and appropriately identify the Fannie Mae loan number for each mortgage loan for which custodial documents are to be transferred.
 - In the case of a transfer of servicing, requires the transferor servicer to provide the existing document custodian and the new document custodian with a trial balance that lists the Fannie Mae loan number for each mortgage loan expected to be in the pool as of the date of the document transfer; and identifies by the Fannie Mae loan number those mortgage loans for which documents are to be transferred. The transferee servicer must request that the document custodian perform a recertification of all transferred documents regardless of whether there has been a change in document custodian. The custodian must provide Fannie Mae with a completed *MBS Custodian Recertification* ([Form 2002](#)) as written confirmation of recertification.
 - Authorizes the servicer to instruct the existing document custodian to provide a copy of the original *Request for Release/Return of Documents* ([Form 2009](#)) to the new document custodian for any mortgage loan for which required custodial documents will not be transferred because the mortgage loan has been released for non-liquidation purposes (e.g., not paid in full, repurchased or liquidated as a result of foreclosure, short sale, or Mortgage Release).
- *Servicing Guide* [F-1-37 Reconciling Custodial Documents](#) includes new requirements for both document custodians and Fannie Mae servicers when a mortgage loan has been released for non-liquidation purposes for more than 90 days.

Effective Date

The servicer must implement the policy changes no later than October 1, 2015; except as otherwise noted.

Updates to Requirements Related to Adverse Action

Requirements related to *Adverse Action Notice* ([Form 182](#)) have been updated to require the servicer to either

- include the draft adverse action notice in HSSN for Fannie Mae's approval with each mortgage loan modification submission, or
- certify using the *Adverse Action Notification Certification* ([Form 183](#)) that it has a process to ensure content pre-approved by Fannie Mae appears in every adverse action notice sent to the borrower for which Fannie Mae declines the modification.

The required elements of the Adverse Action Notice have now been included in the *Servicing Guide*.

Updated Servicing Guide Topics

- Servicing Guide [A4-2.1-06, Adverse Action Notification Certification](#)
- Servicing Guide [D2-1-02, Using Freddie Mac's Imminent Default Indicator](#)
- Servicing Guide [F-4-03, List of Contacts](#)

Effective Date

The servicer is encouraged to implement these policy changes immediately, but must implement the policy changes by August 1, 2015.

Updates to Fannie Mae's Investor Reporting Manual

Fannie Mae's *Investor Reporting Manual* [2-06, Reporting a Transaction Type 80 \(Subservicer Arrangement Record\)](#) has been updated to require the master servicer to delete the prior subservicer arrangement from Fannie Mae's records for transferred mortgage loans in the month preceding the effective date of the servicing transfer.

Effective Date

The servicer is encouraged to implement the policy changes immediately but, must implement the policy changes no later than August 1, 2015.

Extension of Fannie Mae HAMP/2MP and Elimination of Streamlined Modification Program Expiration Dates

Fannie Mae's *Servicing Guide* has been updated as follows:

- Fannie Mae has removed the expiration date for the Streamlined Modification Program.
- Fannie Mae has extended the expiration date for both the HAMP and 2MP programs. All mortgage loans eligible for HAMP or 2MP must have a Trial Period Plan effective date on or before March 1, 2017; and the Trial Period Plan must be based on the borrower's submission of a complete BRP received on or before December 31, 2016. Additionally, a HAMP or 2MP Trial Period Plan must be converted to a permanent modification with an effective date that is on or before September 1, 2017.

Updated Servicing Guide Topics

- Servicing Guide [D2-3.2-07, Fannie Mae HAMP Modification](#)
- Servicing Guide [D2-3.2-12, Fannie Mae 2MP Modification](#)
- Servicing Guide [D2-3.2-08, Fannie Mae Streamlined Modification](#)

Updates to Fannie Mae's Allowable Bankruptcy Attorney Fees Exhibit

[Fannie Mae's Allowable Bankruptcy Attorney Fees Exhibit](#) has been revised to provide clarification to the allowable reimbursement amounts for Notice of Fees, Expenses, and Charges associated with Chapter 13 bankruptcies.

Effective Date

The changes to this [Exhibit](#) are effective immediately.

Miscellaneous Revisions

- The *Servicing Guide* has been revised to incorporate Announcement SVC-2015-08, Servicer Eligibility and Oversight Requirements into *Servicing Guide* [A2-1-01, General Servicer Duties and Responsibilities](#), [A2-1-06, Subservicing](#), [A3-3-01, Net Worth, Liquidity, and Credit Rating Requirements](#); and *Servicing Guide* [F-3, Glossary](#).
- *Short Sale Affidavit* ([Form 191](#)) has been revised to clarify which document(s) the servicer must retain in the mortgage loan servicing file.

Clarifications to HAMP Borrower “Pay for Performance” Notice Requirements

Fannie Mae is clarifying *Communicating with a Borrower Regarding Eligibility for the Expanded Borrower “Pay for Performance” Incentive for a Fannie Mae HAMP Modification* in [D2-3.2-07, Fannie Mae HAMP Modification](#). For mortgage loans that reach the sixth anniversary of the HAMP Trial Period Plan effective date before September 2015, the servicer has the discretion to send written notice of the option to re-amortize the UPB to the borrower no later than thirty days after the expanded “pay for performance” incentive is applied.

The servicer should contact its Servicing Consultant, Portfolio Manager, or Fannie Mae’s Credit Portfolio Management’s Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Announcement.

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