



Servicing Guide Announcement SVC-2017-09

October 11, 2017

Servicing Guide Updates

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

- Consolidation of Electronic Records and Transactions
- Foreclosure Sale Publication Costs*
- Miscellaneous Revisions

* Policy change applies to HomeKeeper mortgage loans but is not applicable to HECM mortgage loans.

Consolidation of Electronic Records and Transactions

As part of our ongoing efforts to simplify and consolidate policy shared by the *Selling* and *Servicing Guides*, we have removed duplicative content from a few topics in Part A, Doing Business with Fannie Mae, pertaining to electronic records, signatures, and other electronic transactions.

With this update, we are:

- consolidating into one topic the various policies that pertain to the management of electronic transactions and confirm that sellers/servicers may originate, service, and modify loans using electronic records (special approval is still required for electronic promissory notes);
- streamlining language to clarify that electronic records must accurately reflect information and formatting as it was presented to the intended beneficiaries and signers;
- reiterating that systems creating electronic records generate them as valid records that are maintained as secure;
- specifying that recorded mortgages and deeds of trust need not be maintained in paper format;
- clarifying that all electronic signatures must comply with ESIGN, UETA, and applicable law; and
- removing requirements for document custodians from the *Guide* as they were duplicative of requirements set forth in Fannie Mae's [Requirements for Document Custodians](#) (RDC).

The following table provides additional details on the placement of content from the impacted *Servicing Guide* topics to the consolidated content in the *Selling Guide*.

Impacted <i>Servicing Guide</i> Topics	New Content Location
A2-5.2-01, Storage of Individual Mortgage Loan Files and Records	<i>Selling Guide</i> A2-5.1-03, Electronic Records, Signatures, and Transactions
A2-5.2-02, Seller/Servicer's or Document Custodians Electronic Transactions with Third Parties	
A2-5.2-03, Retention and Storage of Individual Mortgage Loan Files and Records (<i>Data Integrity</i> content only)	

See Fannie Mae's [RDC Guide](#) for requirements for document custodians.



Effective Date

There are no policy changes associated with this simplification of content. Servicers must refer to the *Selling Guide* for this policy beginning October 31, 2017.

Foreclosure Sale Publication Costs

In order to better control foreclosure-related costs, the Servicing Guide has been updated to reflect changes in how we reimburse publication costs incurred during the foreclosure process. We will continue to reimburse for costs paid to a newspaper to publish all documents required in the jurisdiction to complete a typical uninterrupted foreclosure action. However, in the event a foreclosure sale is rescheduled or the foreclosure is restarted, our pre-approval is now required for reimbursement of additional publication costs associated with each new foreclosure sale date. We will have a process in place for law firms retained by servicers to request approval for these excess publication costs. This change is not establishing a maximum reimbursement limit for foreclosure sale publication costs. Servicers must continue to ensure all publication costs are actual, reasonable, and necessary.

Updated Servicing Guide Topics

- [E-5-07, Other Reimbursable Default-Related Legal Expenses](#)
- [F-1-06, Expense Reimbursement](#)
- [F-4-03, List of Contacts](#)

Effective Date

These changes apply for the life of the default period and are effective for excess publication costs incurred on or after January 1, 2018, regardless of the foreclosure referral date.

Miscellaneous Revisions

Servicing Guide [B-1-01, Administering an Escrow Account and Paying Expenses](#) and [F-1-06, Expense Reimbursement](#) have been restructured to clarify

- that servicers must determine the minimum amount necessary to clear an association's claim of lien in order to prevent the extinguishment of our mortgage lien;
- that servicers must maintain adequate records to document reasonable efforts to minimize amounts, including late fees, interest, and attorney fees that may be included under the lien pursuant to applicable law; and
- when to submit a *Non-Routine Litigation Form* ([Form 20](#)).

Some updates in this policy change may not be applicable to reverse mortgage loans. Servicers must continue to comply with servicing requirements in the *Servicing Guide* for reverse mortgage loans to the extent such requirements are not in conflict with the provisions contained in the [Reverse Mortgage Loan Servicing Manual](#).

Effective Date

Servicers are encouraged to implement operational processes consistent with these clarifications immediately, but must implement by December 1, 2017.



Contact your Customer Delivery Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

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