



Servicing Guide Announcement SVC-2019-08

December 11, 2019

Servicing Guide Updates

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

- Payment Shortage Tolerance*
- Fidelity Bond and Errors and Omissions Mailbox
- Miscellaneous Revisions*

*Policy change not applicable to reverse mortgage loans.

Payment Shortage Tolerance

To help reduce the number of deficient monthly mortgage loan payments that need to be returned to borrowers, we are introducing a \$50 payment shortage tolerance in *Servicing Guide* [C-1.1-02, Processing Payment Shortages or Funds Received When a Mortgage Loan Modification Is Pending](#). The servicer is now authorized to accept a payment that is deficient by \$50 or less for up to three monthly payments during a 12-month period.

Effective Date

This policy change is effective immediately; however, servicers are authorized to implement this change at their discretion and at a time of their choosing.

Fidelity Bond and Errors and Omissions Mailbox

Sellers/servicers are reminded that they must report fidelity bond and errors and omissions events to us

- within 30 days after discovery of the occurrence of a single fidelity bond or errors and omissions policy loss that is mortgage related and the amount exceeds the lesser of \$250,000 or the policy's deductible, even when no claim will be filed or when our interest will not be affected; and
- within 10 business days of receipt of a notice from the insurer regarding the intended cancellation, reduction, nonrenewal, or restrictive modification of the seller/servicer's fidelity bond or errors and omissions policy.

The *Selling Guide* has been updated to include the following mailbox for reporting these events to us: fidelity_bond_and_errors_and_omissions_claims@fanniemae.com.

Updated *Selling Guide* Topics

- [A3-5-04, Reporting Fidelity Bond and Errors and Omissions Events](#)
- [E-1-03, List of Contacts](#)

Effective Date

Sellers/servicers are encouraged to implement this change immediately, but must do so by February 1, 2020.



Miscellaneous Revisions

Maximum Late Charge for Conventional Mortgage Loans. We have updated *Servicing Guide* [A2-3-04, Late Charges as Compensation](#) to provide a reference to the applicable content in the *Selling Guide*, which limits the late charge amount to 5%.

Effective Date

Servicers assessing a late charge on a conventional mortgage loan owned or securitized by us in an amount other than 5% of the monthly principal and interest, unless state law doesn't permit collecting a late charge as high as 5%, must comply with the policy in the *Selling Guide* by April 1, 2020.

Effective Date of Fannie Mae-Initiated Drafting of Certain Remittances. We are notifying servicers that we will begin initiating drafts of principal and interest for scheduled/scheduled and scheduled/actual portfolio mortgage loans as announced in [LL-2019-07](#) in August 2020 based off of the prior month's (July 2020) Loan Activity Record. Also, servicers must make all funds due to us available for drafting by the calendar day of the first month and every subsequent month as specified in [LL-2019-07](#).

Contact your Fannie Mae account 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.

Malloy Evans
Senior Vice President and
Chief Credit Officer for Single-Family