



May 2019

## Title & Closing Departments: News You Can Use

### Closing

#### REO Purchase Deeds

Remember to **ONLY** use the following deed types on Fannie Mae closing transactions:

- Special Warranty Deed/Limited Warranty Deed (or state equivalent) – use for properties being sold as insured
- Quit Claim Deed – use for properties sold as un-insured

NEVER use a deed granting general warranties of title on a Fannie Mae REO Closing.

#### HUD Rejections – Rejection Rate of 10% or less

We’ve seen an increase in the number of HUDs being rejected. While we are reviewing the rebuttals you send us to ensure consistency in HUD approvals and rejections, we would like to provide some additional tips that may help reduce rejections

- Use the closing checklist linked [here](#) (also available on the Business Portal)
- Review HOA & tax tasking in Equator messages
- Communicate with the HOA and tax companies and specialists as needed prior to HUD submission
- Obtain any necessary approvals from sales, title, tax, HOA, etc.
- Review and compare the contract and Equator upon receipt of the contract to make sure buyer names, addresses, etc. match across both sources

✦ Strive for a HUD rejection rate of 10% or less ✦

#### Closing Status Updates



Include order dates and ETAs for updated title searches, lien certs, tax certs, estoppels, payoffs, etc. when completing closing status updates. This will help set realistic timelines for scheduled closings.

### Wire Fees and Technology Fees

#### Wire Fees

- Wire Fees cannot be charged on a transaction resulting in negative proceeds to the seller
- HUDs submitted with negative proceeds and a wire fee charge to the seller will be rejected

#### Tech Fees – Auction Files

- Tech Fees should not be charged on auction files. If the tech fee populates, offset it on line 412 of the EQ HUD with the fee description “off-set tech fee – auction file”
- HUDs submitted with tech fees charged on auction files will be rejected



### OFAC Searches

Please notify the assigned closing specialist any time an OFAC search generates a hit or if a bank holds funds due to an OFAC hit.

We will be reporting these internally to our fraud team going forward.





# Closing, continued

## Approval Requirements & Rules for Reimbursement on the HUD

### Approvals

The title and closing team are the only group with the authority to approve for you to pay a charge on our behalf AND approve reimbursement to you for that charge, whether on the HUD or through the expense reimbursement process.

### Agent Reimbursements

Reimbursements to the agents on the HUD will cause the HUD to be rejected. Our agents are aware that they must submit their reimbursement requests through the Equator Expense Portal.

## Dry Closings

Closings cannot occur until verification that the settlement agent is in receipt of ALL funds – buyer, lender, etc. If ANY funds are missing, signing CANNOT occur. Refer to the December 2018 Newsletter located on the Business Portal for additional requirements and expectations.



## Title & Closing Reminders:

### Delinquent Tasking

Delinquent tasking is not permitted. Tasks should be completed on or before the due date. If the due date falls on a weekend or holiday, the tasks should be completed the last business day prior to the due date.

### Updated Contact Information

It's that time again! We need your current contact information. Click [here](#) to access the contact form. Please complete in full and email it to Brenda Harkrider no later than May 10<sup>th</sup>.

## HECM

### Equator Update

The 2<sup>nd</sup> instance of the Report Title Findings task will no longer automatically trigger. Upon referral, Equator will auto accept the order and open the No Foreclosure Deed issue. Should you need to report an additional issue, ad hoc the Report Title Findings task and complete it with the necessary information.

### Fees & Delinquencies on HECM Pre-180 Closings

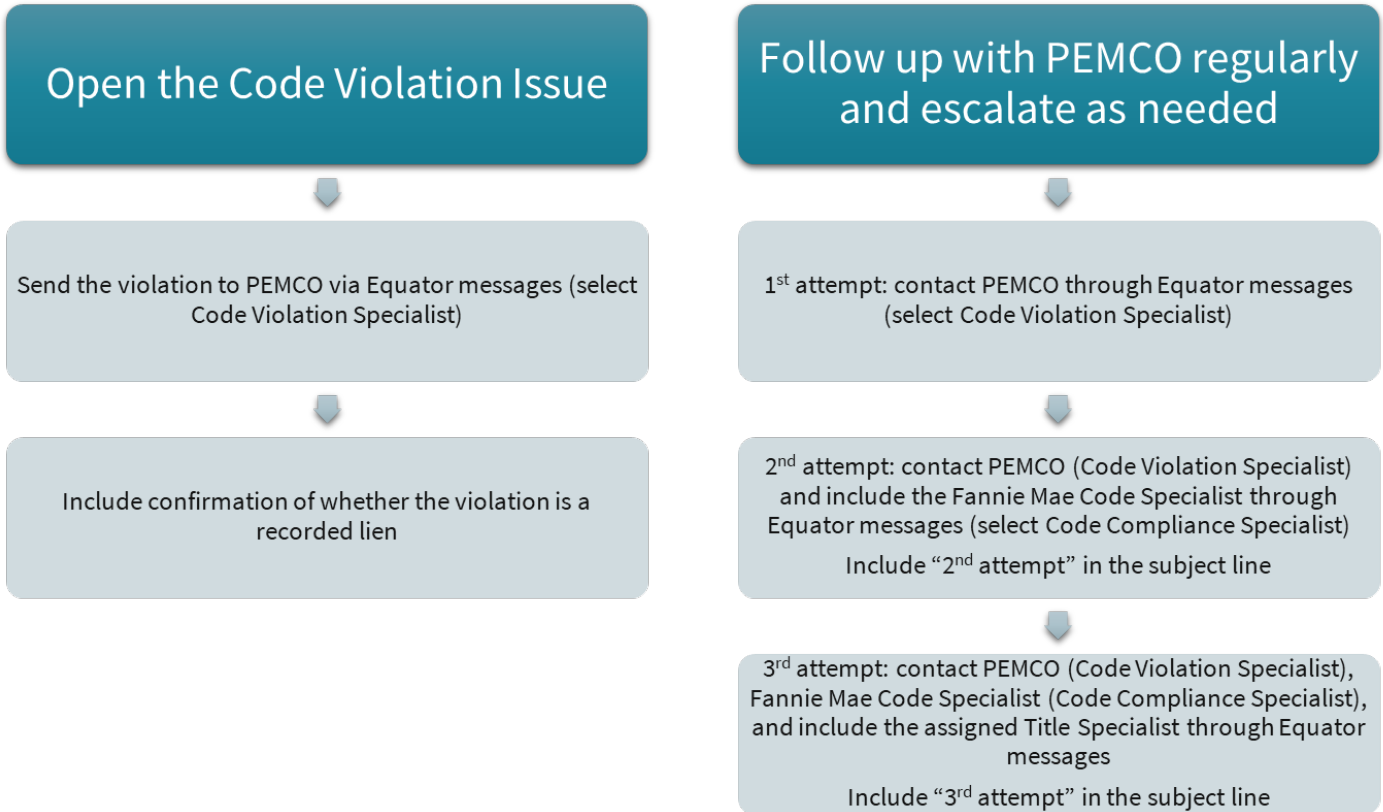
Reminder: Delinquencies and fees associated with clearance of title cannot be paid on the HUD of a HECM Pre-180 file. Double check the Marketable Title date before submitting a payable report or the estimated HUD & deed. In your submissions, include confirmation whether the file is pre or post 180.



## Title

### Code Violations Process

Please take the following steps when a code violation is noted in Equator:



### Litigation & Title Claims

Fannie Mae’s legal department is the only group with the authority to allow litigation or title claims to be filed in Fannie Mae’s name. Do not allow or grant permission for a claim to be filed in Fannie Mae’s name without first obtaining Fannie Mae’s permission. The title specialist will assist in requesting approval should the need arise.



If you discover litigation has been filed or a title claim was filed in the name of Fannie Mae, please immediately inform the assigned title specialist. Our legal team will monitor these transactions and take necessary steps as needed.

### Auction Files

#### Updated Title Product/Search

Do NOT order an updated title search when an asset moves into auction. An update should only be ordered at the time of contract if the buyer elects to use the seller’s closing company.

#### First Point of Contact

The Auction Company is your first point of contact on auction files. When sending a message in EQ, select Auction Company (Auction) in the recipient drop down.