



Fees for Bankruptcy Notices of Forbearance

May 6, 2020

Under the terms of the CARES Act, borrowers may request loan forbearance, regardless of delinquency. We are aware that some borrowers who are presently in bankruptcy have been placed on forbearance plans. When this occurs, the servicer or MDC firm should prepare and file a Notice of Forbearance with the Bankruptcy Court, notifying the Court that post-petition payments will be suspended for the duration of the forbearance term. The Notice of Forbearance must comply with all applicable local rules and procedures. At a minimum, the Notice should identify any claim to which the forbearance pertains, should state the duration of the forbearance term, and should be filed within 30 days of the date on which the forbearance plan is implemented or extended. If the forbearance term is extended pursuant to the CARES Act, a second Notice of Forbearance should be prepared and filed.

In those jurisdictions where it is necessary to file a Motion to Grant a Temporary Forbearance, Fannie Mae will approve attorney fees and costs on an excess fee basis.

Fannie Mae will reimburse servicers for legal fees of \$100 per Notice of Forbearance prepared and filed in connection with a CARES Act forbearance plan. Fannie Mae will reimburse for up to two Notices of Forbearance per bankruptcy proceeding. Firms will need to request excess approval for the Notice of Forbearance fee in the IPA portal. The firm should select the appropriate category based on the bankruptcy chapter (Chapter 7 BK; Chapter 13 BK; Chapter 11/12 BK) and the subcategory 'All other BK Fees'. Firms must include a comment within IPA stating the notice is related to a CARES Act forbearance plan. Any legal fees paid for preparation of Notices of Forbearance or Motions to Grant a Temporary Forbearance should be identified as non-recoverable from the borrower, in compliance with the CARES Act.

For More Information

Reference the [Allowable Bankruptcy Attorney Fees Exhibit](#) for a list of maximum attorney's fees that Fannie Mae allows. For other related information, visit [Fannie Mae's Single Family Servicing page](#).