



Servicing Guide Announcement (SVC-2020-03)

Jul. 15, 2020

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

- [Loss draft updates](#)*: simplifies our loss draft disbursement policies while managing risk.
- [Revisions to post-disaster credit reporting requirements](#)*: removes instructions to suspend credit reporting for borrowers impacted by a disaster.
- [Payment reminder notice for mortgage loans in an active forbearance](#)*: authorizes the servicer to not send a payment reminder notice to borrowers in an active forbearance plan.
- [Miscellaneous revisions](#)*: promotes borrower awareness of our Disaster Response Network, discusses policies previously communicated regarding P&I drafting changes, and updates the servicer's requirements when submitting a charge-off request to us.

View the list of [impacted topics](#).

*Policy change not applicable to reverse mortgage loans.

Loss draft updates

To better serve our customers, we are revising the servicer's responsibilities for managing insurance loss proceeds and removing requirements that do not appropriately manage risk. We have updated the *Guide* with the following changes:

- Eliminates the requirement that, in certain instances, the insurance proceeds be made payable to both the borrower and the contractor;
- Eliminates the requirement that the servicer determine when a licensed contractor is needed;
- Explicitly permits the use of remote inspections via videotelephony with the borrower or photographs/video submitted by the borrower of current mortgage loans; and
- Eliminates the final inspection for mortgage loans that are current or less than 31 days delinquent at the time of the loss event.

Effective: Servicers are authorized to implement these flexibilities immediately or at a future date of its choosing.

Revisions to post-disaster credit reporting requirements

We are removing the requirement to suspend credit reporting for borrowers impacted by a disaster event. As a reminder, servicers remain responsible for complying with applicable law, including when reporting to the four major credit repositories. These changes are effective immediately.

Payment reminder notice for mortgage loans in an active forbearance

We are clarifying that the servicer is authorized to not send a payment reminder notice to the borrower during an active forbearance plan term.

Effective: This policy clarification is effective immediately.



Miscellaneous revisions

Reference to Disaster Response Network. In Nov. 2018, we launched the Disaster Response Network to provide borrowers of mortgage loans owned or securitized by us with free personalized assistance if their home, job, or income is impacted by a disaster. We have updated the *Guide* to encourage servicers to advise the borrowers of this available resource.

Fannie Mae-initiated P&I drafts for scheduled/scheduled and scheduled/actual portfolio mortgage loans. We have updated the *Guide* and *Investor Reporting Manual* to reflect changes previously communicated in Lender Letter [LL-2019-07](#). With these updates, we will:

- Initiate drafting of principal and interest for scheduled/scheduled and scheduled/actual portfolio mortgage loans;
- Implement operational enhancements to modify the cash reconciliation cycle to reduce lag time, and draft unapplied funds on mortgage loan modifications on the scheduled P&I draft date; and
- Include miscellaneous revisions to provide additional clarity and improve the user experience.

Effective: The P&I drafting updates are effective Aug. 2020, based off of Jul. 2020 Loan Activity Records and any adjustments processed. Servicers must make all funds due to us available for drafting by the specified date each month for the applicable mortgage loan type. The investor reporting operational enhancements will also be effective Aug. 2020.

Charge-Off Questionnaire. We have updated the *Guide* to reference a new Charge-Off Questionnaire ([Form 198](#)) and to require that the servicer provide [Form 198](#) and all required documents, as applicable, when submitting a charge-off request to us via our servicing solutions system.

Effective: This policy change is effective immediately.

See the *Servicing Guide* for details about these updates.

Servicers who have questions about this Announcement should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643).
Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics (Dated Jul. 15, 2020)
Loss draft updates	<ul style="list-style-type: none">▪ A4-1-01, Staffing, Training, Procedures, and Quality Control Requirements▪ B-5-01, Insured Loss Events▪ D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower
Revisions to post-disaster credit reporting requirements	<ul style="list-style-type: none">▪ C-4.1-01, Notifying Credit Repositories▪ C-4.1-02, Suspending Credit Bureau Reporting▪ F-1-24, Reporting to Third Parties
Payment reminder notice for mortgage loans in an active forbearance	<ul style="list-style-type: none">▪ D2-2-03, Sending a Payment Reminder Notice
Miscellaneous revisions	<ul style="list-style-type: none">▪ C-3-01, Responsibilities Related to Remitting P&I Funds to Fannie Mae▪ F-1-21, Remitting and Accounting to Fannie Mae▪ F-1-25: Requesting Fannie Mae's Approval via Fannie Mae's Servicing Solutions System▪ F-3-03, Glossary of Fannie Mae Terms: C▪ 1-02, Performing Monthly Reconciliations in the Investor Reporting Manual