



# Servicing Guide Announcement (SVC-2021-02)

Mar. 10, 2021

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

- [Property valuation orders for charge-offs\\*](#): updates our requirements for submitting a charge-off request to us via our servicing solutions system.
- [Reimbursement of recording costs for mortgage loan satisfactions\\*](#): reflects a recent procedural change for servicers when requesting reimbursement of recording costs associated with a mortgage loan satisfaction.
- [Approval request to pay third parties out of insurance loss proceeds\\*](#): clarifies the approval process related to the payment to third parties from insurance loss proceeds.
- [Miscellaneous updates\\*](#):
  - replaces the *Fannie Mae eNote Transfer of Control Request* (Form 197) and
  - updates the [Allowable Foreclosure Attorney Fees Exhibit](#) to reflect a change to judicial foreclosure fees for Texas Section 50(a)(6) mortgage loans

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

\*Policy change not applicable to reverse mortgage loans.

## Property valuation orders for charge-offs

With this Announcement, servicers must use our Valuation Management System (VMS) application and the *VMS Valuation Order Template* to submit property valuation orders for first and second lien charge-off requests. Also, to obtain access to the VMS application, servicers must complete the *VMS User Setup Template* and submit it to [valuation\\_operations@fanniemae.com](mailto:valuation_operations@fanniemae.com). The *VMS Valuation Order Template* and *VMS User Setup Template* are located on our [website](#).

**Effective:** Servicers are encouraged to implement this policy change immediately, but must do so by Jun. 1, 2021.

## Reimbursement of recording costs for mortgage loan satisfactions

We have updated the Guide to reflect a recent change to the process for requesting reimbursement of recording costs incurred in connection with a mortgage loan satisfaction. The new process began Jan. 1, 2021 and now aligns with the standard process for requesting reimbursement of other servicing-related expenses. This change will provide servicers an improved user experience and significantly reduce the time in which they are reimbursed for applicable recording costs.

## Approval request to pay third parties out of insurance loss proceeds

Currently servicers must request our prior approval to pay fees out of the insurance loss proceeds to a third party retained by the borrower to assist with the recovery of insurance loss proceeds in connection with an insured loss. To provide greater process clarity and efficiency, we have updated the Guide to instruct servicers where to submit the request, the format to use, and the information that must be included in the request.

**Effective:** This policy clarification is effective immediately.



## Miscellaneous updates

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**Form 197.** Form 197 has been removed from the Guide and from the forms page on our website. In states where servicers must be the holder of an eNote prior to commencing legal action, they must now utilize the *Request for Transfer of Control of eNotes* ([Form 2009e](#)). This form is now referenced in [F-1-26, Servicing eMortgages](#).

**Effective:** Servicers must begin using [Form 2009e](#) immediately.

**Texas Home Equity Judicial Foreclosure Fee.** The [Allowable Foreclosure Attorney Fees Exhibit](#) has been updated to reflect a recent change. Judicial foreclosure of a Texas Section 50(a)(6) mortgage loan will no longer require excess fee approval and will now have an allowable foreclosure attorney fee of \$3,000, as long as the foreclosure matter was active on or after Mar. 18, 2020. Excess fee approval is still required for any judicial foreclosure involving a Texas Section 50(a)(6) mortgage loan prior to that date, as well as for all other judicial foreclosure fees in Texas regardless of date.

**Effective:** The fee applies to judicial foreclosure matters involving a Texas Section 50(a)(6) mortgage loan that are active on or after Mar. 18, 2020.

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 and Related Documents (Dated Mar. 10, 2021)
Property valuation orders for charge-offs	<ul style="list-style-type: none"><li data-bbox="602 373 1520 432">▪ <a href="#">F-1-24, Requesting Fannie Mae’s Approval via Fannie Mae’s Servicing Solutions System</a></li></ul>
Reimbursement of recording costs for mortgage loan satisfactions	<ul style="list-style-type: none"><li data-bbox="602 464 1008 491">▪ <a href="#">F-1-05, Expense Reimbursement</a></li><li data-bbox="602 512 902 539">▪ <a href="#">F-4-03, List of Contacts</a></li></ul>
Approval request to pay third parties out of insurance loss proceeds	<ul style="list-style-type: none"><li data-bbox="602 573 954 600">▪ <a href="#">B-5-01, Insured Loss Events</a></li></ul>