



Servicing Notice

January 09, 2013

Claims for Reimbursement and Documentation for Foreclosure Sheriff's Costs

Fannie Mae recognizes that in several states the sheriff's office performs some or all of the tasks associated with advertising, scheduling, and conducting the foreclosure sale. Foreclosure attorneys are required to work with the sheriffs in these states in order to complete the foreclosure sale. The attorneys must pay the sheriff's costs as part of the foreclosure, which may be by advance deposit or payment upon notification of the final costs by the sheriff's department. If deposit amounts are advanced and some of those funds are not applied to any specific costs, then a refund will be due back from the sheriff's office for the unused funds.

Fannie Mae is clarifying that when the servicer files a claim for reimbursement for sheriff's costs, Fannie Mae may require the servicer to include supporting documentation with its request. The preferable form of documentation evidencing the sheriff's cost breakdown is a cost sheet on the letterhead of the sheriff's office. In the event a cost sheet cannot be obtained on the sheriff's office letterhead, other acceptable forms of documentation of sheriff's costs are listed in the Attachment to this Notice.

Servicers must not decline to reimburse the attorney for those costs on the basis that the documentation is not on the letterhead of the sheriff's office. However, the servicer must be able to provide supporting documentation with its claim for reimbursement of sheriff's costs upon request by Fannie Mae.

Claims for Reimbursement

Servicing Guide, Part VIII, Section 106.04: Attorney (or Trustee) Fees and Section 110.04: Requests for Reimbursement

As a reminder, servicers must follow Fannie Mae's standard claim reimbursement process for requesting reimbursement of sheriff's costs as indicated in the *Servicing Guide*. Before requesting reimbursement of sheriff's costs by Fannie Mae, servicers must review and approve those costs billed by the attorney to ensure they are in compliance with Fannie Mae guidelines. Servicers should not file a claim for reimbursement of sheriff's costs until the property has been liquidated (whether by foreclosure, short sale, or deed-in-lieu) or the file is otherwise closed and billed by the attorney.

When the servicer files its claim for reimbursement of sheriff's costs, it should allocate those costs to the applicable line item(s). For example, if the sheriff's costs include publication, service of process, appearance at sale, and sheriff's fees/commission, the claim for reimbursement should be appropriately broken out that way, as opposed to the entire amount being claimed as a sheriff's deposit. Additionally, servicers must ensure that any refunds of unused deposit amounts are accounted for in the claim for reimbursement, as Fannie Mae may be partly entitled to receive the refunded amount.

Late Submission of Claim for Reimbursement

Servicing Guide, Part VIII, Section 110.04: Requests for Reimbursement and Part I, Section 201.11.13: Late Filing of Final Request for Reimbursement

Servicers are encouraged to require attorneys to invoice sheriff's costs only after they have obtained the supporting documentation from the sheriff's office, even if that time frame does not otherwise conform to the servicer's typical invoicing timeline.



There may be situations that result in a significant delay for the attorneys in obtaining the appropriatedocumentation from the sheriff’s office. If such a situation arises and the servicer’s claim for reimbursement is therefore filed after the deadline Fannie Mae specifies in the *Servicing Guide* for the submission of the “final” claim for reimbursement, Fannie Mae will allow the claim for reimbursement to be considered, without penalty, as long as the servicer can provide a reasonable explanation justifying the delay.

Attachment

Claim Reimbursement and Documentation for Foreclosure Sheriff’s Costs

Acceptable Documentation	
If...	Then...
the attorney is unable to obtain a cost sheet on the sheriff’s office letterhead,	Fannie Mae will allow other acceptable documentation as evidence for the servicer’s claim including: <ul style="list-style-type: none"> ▪ letter, fax, email, or spreadsheet with sales costs from the sheriff or its authorized agent; ▪ receipt of sales costs from the sheriff or its authorized agent; ▪ copy of website of the sheriff or its authorized agent, which shows cost schedule; ▪ cost bill provided by the court clerk (if applicable), or a published court cost schedule including sheriff’s costs; ▪ copy of notice of sale with notation of sale costs; ▪ copy of statute, ordinance, or other regulation with allowable sheriff sale costs; ▪ copy of court confirmation entry/order (or other court order) that identifies sheriff’s costs; ▪ copy of clerk return showing sheriff’s costs; ▪ copy of the attorney’s check (must be accompanied by at least one other form of acceptable documentation); or ▪ copy of refund check for unused deposit funds (must be accompanied by at least one other form of acceptable documentation).
the provided documentation does not identify the county, property address, or mortgagor’s name,	Fannie Mae will accept it, as long as it contains sufficient data to confirm that it relates to the particular loan/property.
the provided documentation contains handwritten figures from the sheriffs’ office,	Fannie Mae will accept it, as long as the servicer also provides at least one other form of documentation that does not contain handwritten figures (which can include one of the items identified above or a cost sheet breakdown that is not on official letterhead).
the attorney has obtained cost information via a phone call with a staff member at the sheriff’s office,	Fannie Mae will accept it, as long as the servicer can still support its claim for reimbursement pursuant to the other acceptable documentation guidelines in its request for reimbursement.



<p>the servicer's documentation refers to a material piece of data not readily available to Fannie Mae,</p>	<p>the servicer should include the additional data in its claim for reimbursement (for example, if the servicer provides a statute that sets sheriff's costs at a percentage of the foreclosure sale price, then the servicer must include the sale price with its claim for reimbursement).</p>
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