

# Servicing Guide Announcement (SVC-2022-03)

May 11, 2022

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

- [Eliminating unrecorded assignments of mortgage](#): incorporates the policies introduced in [LL-2021-15](#), *Unrecorded Assignments of Mortgage and New Limited Powers of Attorney* into the *Servicing Guide*
- [Mortgage-backed security principal & interest, guaranty fee, and reverse mortgage loan remittances](#): provides updates to managing drafting instructions for mortgage-backed security (MBS) principal & interest (P&I), guaranty fee, and reverse mortgage loan remittances
- [Miscellaneous updates](#):
  - provides notification of the transition to a new foreclosure and bankruptcy data reporting system and
  - updates cutoff time for drafting instructions

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

## Eliminating unrecorded assignments of mortgage

In accordance with *Selling Guide* Announcement [SEL-2022-04](#), we updated the *Servicing Guide* to incorporate the policies introduced in Lender Letter [LL-2021-15](#). We are aligning the *Selling* and *Servicing Guides* by eliminating the requirement to provide unrecorded assignments of mortgage from the servicer to Fannie Mae for mortgage loans not registered with Mortgage Electronic Registration System, Inc. (MERS®) until we specifically request them at our discretion. Servicers are required to comply with *Selling Guide* [A4-1-04](#), Submission of Irrevocable Limited Power of Attorney.

**Effective:** Effective immediately, servicers are no longer required to prepare an unrecorded assignment of mortgage to Fannie Mae for mortgage loans not registered in MERS for concurrent and post-delivery servicing transfers. As communicated in LL-2021-15, all sellers/servicers must have completed and delivered five original *Irrevocable Limited Power of Attorney* ([Form 520](#)) to us by Mar. 1, 2022. Failure to submit the forms may result in the suspension or termination of the rights to sell or service mortgage loans, or other consequences, until the completed forms are submitted.

## Mortgage-backed security principal & interest, guaranty fee, and reverse mortgage loan remittances

Servicers will now be required to use the Cash Remittance System (CRS) instead of *Authorization for Automatic Transfer of Funds* ([Form 1072](#)) to manage drafting instructions for:

- MBSPI remittances,
- guaranty fee remittances, and
- reverse mortgage loan remittances.

[Form 1072](#) and the [CRS User Guide](#) have been updated to reflect these changes.

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



## Miscellaneous updates

**Reporting default-related matters.** Effective Jul. 1, 2022, law firms handling our default-related matters must report foreclosure and bankruptcy events in a new system, Default Reporting Application (DRA). Law firms retained by servicers must use this new system to comply with our reporting requirements pursuant to the *Mortgage Default Counsel Retention Agreement*.

As a reminder, in accordance with [A4-2.2-02](#), Law Firm Management and Oversight, servicers

- are fully responsible for managing and overseeing all aspects of the performance and compliance of any law firm to which it makes a referral, including obtaining, reviewing, and analyzing data and reports from the law firms; and
- must have policies and procedures reasonably designed to ensure that the law firms handling of Fannie Mae default-related matters are in compliance with the *Mortgage Default Counsel Retention Agreement* with us, the applicable provisions of the *Servicing Guide*, and applicable law.

We encourage servicers to gain read-only access to DRA by visiting the Fannie Mae [Technology Manager](#) beginning Jul. 1, 2022. Law firms should direct any questions to their assigned Fannie Mae Firm Manager.

**Effective:** This change is effective July 1, 2022. Any existing servicing directives related to the reporting of foreclosure and bankruptcy events are superseded by this Announcement.

**Drafting instructions.** The cutoff time to add or update drafting instructions via CRS has been updated.

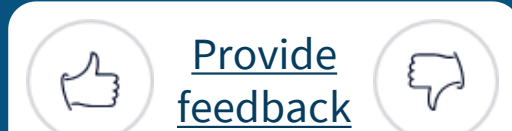
The deadline to add or update existing drafting instructions has been updated from 3:00 p.m. ET to 8:00 p.m. ET one day prior to the effective date. Any changes made before the 8:00 p.m. ET cutoff will automatically reflect an effective date of the next business day. Any changes made to the drafting instructions after 8:00 p.m. ET will automatically reflect an effective date of two business days after the current date of entry.

**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](#).

**Let your voice be heard!** We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Announcement.





## Impacted Topics

| Section of the Announcement   | Updated <i>Servicing Guide</i> Topics and Related Documents (Dated May 11, 2022)  |
|---|---|
| <b>Eliminating unrecorded assignments of mortgages</b>  | <ul style="list-style-type: none"><li>▪ <a href="#">A2-7-01, Concurrent Servicing Transfers</a></li><li>▪ <a href="#">A2-7-03, Post-Delivery Servicing Transfers</a></li><li>▪ <a href="#">A2-9, Mortgage Assignments to Fannie Mae (new chapter)</a></li><li>▪ <a href="#">A2-9-01, General Requirements (new topic)</a></li><li>▪ <a href="#">A2-9-02, Special Provision for Puerto Rico (new topic)</a></li><li>▪ <a href="#">A3-1-01, Maintaining Fannie Mae Seller/Servicer Status</a></li><li>▪ <a href="#">F-1-11, Post-Delivery Servicing Transfers</a></li><li>▪ <a href="#">F-3-03, Acronyms and Glossary of Defined Terms: C</a></li></ul> |
| <b>Mortgage-backed security principal &amp; interest, guaranty fee, and reverse mortgage loan remittances</b> | <ul style="list-style-type: none"><li>▪ <a href="#">F-1-03, Establishing and Implementing Custodial Accounts</a></li><li>▪ <a href="#">F-1-20, Remitting and Accounting to Fannie Mae</a></li><li>▪ <a href="#">Reverse Mortgage Loan Manual</a><ul style="list-style-type: none"><li>○ 2-05, Establishing Custodial Bank Accounts</li><li>○ 7-03, List of Contacts</li></ul></li></ul>   |