

**AUTOMATED PROPERTY SERVICE FOR NPV,
FANNIE MAE LOAN MODIFICATIONS AND MORTGAGE RELEASE
BULLETIN**

This Bulletin is issued in accordance with the section of the Fannie Mae Software Subscription Agreement (the “Agreement”) entitled “Issued Bulletins; Amendments,” and amends and restates the Automated Property Service Schedule for NPV, Fannie Mae Loan Modifications and Mortgage Release (the “Old Schedule”) as set forth in the attached Automated Property Service Schedule for NPV, Fannie Mae Loan Modifications and Mortgage Release (the “New Schedule”). All terms not defined in the New Schedule shall have the meaning set forth in the Agreement.

- Section 8 Indemnification. Section 8 is expanded to also provide indemnification in the event of any breach of the new Section 12.
- Section 12 ECOA Compliance; Batch Submission Process. A new Section 12 is added that specifies that if Licensee is required to provide a property valuation to the borrower in order to comply with the Equal Credit Opportunity Act (ECOA), and Licensee has obtained that property valuation using the APS for NPV batch submission process, then Licensee must extract that individual’s property valuation data from the APS for NPV batch response file and include it, together with certain specified language, in the “Valuation Disclosure” that Licensee provides to the borrower.

All of the terms and conditions of the Agreement as supplemented by the New Schedule shall continue in full force and effect. In the event of any inconsistency between or among the provisions contained in the Agreement (including the New Schedule) and this Bulletin, the provisions of the Agreement shall govern.

**Automated Property Service Schedule
For NPV, Fannie Mae Loan Modifications and Mortgage Release**

Terms and Conditions

1. **Licensed Application.** Automated Property Service for NPV, Fannie Mae Loan Modifications and Mortgage Release (“APS for NPV”) enables users, upon inputting a limited set of data, to obtain a predicted value and confidence score for the subject property. All use by Licensee of APS for NPV in connection with loan modifications and Mortgage Releases (as defined in the Fannie Mae Servicing Guide) is governed by this Schedule.

2. **Authorized Users.** For purposes of this Schedule, “Authorized Users” shall include any individual who: (a) is an independent contractor, (b) is actively providing services to Licensee and (c) has registered through Fannie Mae’s user registration process relating to the Licensed Application. Licensee acknowledges and agrees that actions of Authorized Users shall be deemed to be actions of Licensee.

3. **Restrictions on Use.** The following restrictions are in addition to the restrictions on use in the section of the Agreement entitled “Restrictions on Use; Audit Rights”:
 - A. If Licensee is not an Approved Lender, Licensee shall use the Licensed Application solely to obtain a predicted value (with a confidence score) and input such predicted value into: (a) the U.S. Government’s Net Present Value Model (“NPV Model”) for the purpose of servicing mortgage loans in accordance with the Home Affordable Modification program under the Emergence Economic Stabilization Act of 2008 and the related provisions of Licensee’s mortgage servicing agreement with Fannie Mae or Freddie Mac, or (b) Licensee’s proprietary net present value model, which was created in accordance with a valid Commitment to Purchase Financial Instrument and Servicer Participation Agreement executed by Licensee, and is used solely for the servicing of mortgage loans in accordance with HAMP.

 - B. If Licensee is an Approved Lender, the loan being evaluated for modification is owned or guaranteed by Fannie Mae, and Licensee first tried to qualify the loan under the HAMP modification guidelines and the loan either was not eligible for or did not qualify for a HAMP modification, Licensee may also use the Licensed Application to obtain a predicted value (with a confidence score) and use such predicted value to evaluate the loan for eligibility for a Fannie Mae loan modification. In the event the Home Affordable Modification program has expired, Licensee is a Fannie Mae seller/servicer and the loan being evaluated for modification is owned or guaranteed by Fannie Mae, Licensee may use the Licensed Application to obtain a predicted value (with a confidence score) and use such predicted value to evaluate the loan for eligibility for a Fannie Mae loan modification. In addition, if Licensee is an Approved Lender, Licensee may also use the Licensed Application to obtain a predicted value (with a confidence score) and use such predicted value in accordance with the provisions of the Fannie Mae Servicing Guide relating to Mortgage Release (as defined in the Fannie Mae Servicing Guide).

 - C. Licensee shall not access the fieldwork recommendation or prior sales history functionality of APS for NPV.

 - D. Licensee shall not use the Licensed Application or the predicted value or confidence score for any purpose other than as explicitly permitted in this Schedule. Licensee specifically may not use the Licensed Application or its predicted value or confidence score (a) to solicit non-Licensee mortgagors, (b) as the basis for any property value submitted to Desktop Underwriter or (c) as the basis for a value to be reported to Fannie Mae in the Loan Schedule or Schedule of Mortgages other than in connection with a HAMP modification or a Fannie Mae loan modification.

 - E. The predicted value generated by the Licensed Application is not an appraisal and was not prepared by a certified or licensed appraiser.

4. **Unauthorized Representations.** Licensee acknowledges that the section of the Agreement entitled “Unauthorized Representations” prohibits Licensee from making any representations to any third parties, including but not limited to the respective borrowers, that Fannie Mae has performed any kind of a property review, appraisal or valuation of the property that is the subject property of the Licensed Application. Licensee’s use of APS for NPV to obtain a predicted value (and confidence score) for use in a HAMP Modification, a Fannie Mae loan modification or a Mortgage Release does not relieve Licensee of any representations and warranties regarding property value, if any, made at the time the loan that the property secures was sold to Fannie Mae.

5. **Disclaimer of Warranty and Assumption of Risk.** In addition to the warranties specifically disclaimed by Fannie Mae in the section of the Agreement entitled “Warranty,” Fannie Mae also specifically does not warrant that any predicted value generated by the Licensed Application represents the actual value of the subject property.
6. **Compliance With Law.** Laws and regulations regarding the use of appraisals and automated valuation models may vary, including without limitation based on the location of the property and Licensee’s licensing within that jurisdiction. As stated in the Agreement, Licensee is responsible for compliance with all federal, state and local laws, rules and regulations applicable to its use of APS for NPV.
7. **Termination.** Notwithstanding any provision to the contrary in the Agreement, Fannie Mae may terminate this Schedule upon thirty (30) days’ written notice to Licensee, with or without cause. In addition to the foregoing, Fannie Mae may terminate this Schedule immediately, upon notice to Licensee, if Fannie Mae reasonably believes, in its sole discretion, that Licensee has breached Section 2 or Section 3 of this Schedule.
8. **Indemnification.** Subsection (d) of the section of the Agreement entitled “Indemnification” shall be expanded to also provide indemnification in the event of any breach of Sections 3, 4, 6 or 12 of this Schedule.
9. **Subscription Fees.** There are no charges for Licensee’s use of APS for NPV for a HAMP Modification, a Fannie Mae loan modification or a Mortgage Release.
10. **Other Charges.** Nothing set forth in this Schedule shall limit or waive the obligation of Licensee to pay any other charges due Fannie Mae or third parties, including, without limitation (i) Fannie Mae installation and training charges imposed under the Agreement or (ii) any charges imposed by third parties, including, but not limited to, any credit reporting agencies, processing service providers, authentication service providers, telecommunications service providers and telecommunications and computer equipment providers.
11. **Survival.** Any provisions of this Schedule that contemplate their continuing effectiveness, including, without limitation, Sections 4, 5, 6, 7 and 8 of this Schedule, shall survive any termination of this Schedule.
12. **ECOA Compliance; Batch Submission Process.** If Licensee has determined that it is required by the Equal Credit Opportunity Act (ECOA) to provide the borrower a copy of certain property valuation information Licensee has obtained using the APS for NPV batch submission process, Licensee must not copy or otherwise provide the entire APS for NPV batch response file to the borrower. Instead, Licensee must provide the borrower a document (the “Valuation Disclosure”) that contains the following information extracted from the batch response file: the standardized address, predicted value, confidence score and response date/timestamp. The Valuation Disclosure must also include the following language:

Note: The confidence score reflects the property valuation model’s confidence in the accuracy of the estimated value. The more data points the model has related to the particular property and neighborhood, the better the confidence score. Confidence scores range from 1-5, with 1 being the most confident.

This estimate of value was developed by an automated valuation model that was made available to your servicer by Fannie Mae. This estimate of value is not the result of an appraisal, nor was it developed by a state licensed or certified appraiser. Fannie Mae makes no representations or warranties, express or implied, regarding the property, the condition of the property, or the estimated value of the property. This estimate is intended to be used solely by the servicer and solely in connection with the modification of your mortgage loan. The servicer may or may not have used this estimated property value to make the credit decision. If you have concerns with this valuation, please talk to your servicer about your options, which include asking your servicer to order an appraisal.

Licensee may include other information in the Valuation Disclosure (as long as such additional information was not extracted from the APS for NPV batch response file).