



From the Desk of Carlos Perez
Chief Credit Officer for Single-Family

March 14, 2018

Executive Overview of Servicing Guide Updates

This month, we're updating the *Servicing Guide* to align with recent *Selling Guide* updates and industry standards, and to clarify disaster-related requirements. These changes:

- **Reduce the risk of cost overruns associated with renovations.** To align with recent updates to [HomeStyle® Renovation mortgages](#) in *Selling Guide* Announcement [SEL-2018-02](#), we're changing the servicing requirements for renovations. To support timely and within-budget completion of renovations, we're addressing operational controls related to contractor and subcontractor licenses, inspections, escrow closings, appraisals, and documentation.
- **Align several foreclosure-related attorney fees with industry standards.** We're increasing the maximum allowable foreclosure attorney fees for several non-judicial states to \$300 and updating the foreclosure adjournment fees listed in the Attorney Authorization Approval (AAA) Matrix for Michigan to \$40 per week. These changes support our Servicers by more adequately compensating attorneys.
- **Provide clarification for Cap and Extend Modification for Disaster Relief.** We've clarified the guidelines for servicers to make the post-disaster monthly principal and interest (P&I) payment similar to the pre-disaster P&I payment under Fannie Mae's Cap and Extend Modification for Disaster Relief.

See [Announcement SVC-2018-02](#) for details.

We hope these changes continue to strengthen our relationships with our borrowers and business partners. As always, I truly appreciate our business with you.

A handwritten signature in cursive script that reads "Carlos Perez".

Carlos Perez