



Reverse Mortgage Loan Servicing Manual Announcement RVS-2018-03

September 18, 2018

Reverse Mortgage Loan Servicing Manual Update

The *Reverse Mortgage Loan Servicing Manual* has been updated to include changes related to the servicer requirement to pay ground rents, co-op fees and assessments, and property taxes for certain properties in Fannie Mae's REO inventory. This policy change is applicable to all reverse mortgage loans.

Relieving Servicers of Additional Responsibilities for Paying Escrow-Related Expenses on Acquired Properties

We continue to review our policies in order to relieve servicers of post-foreclosure sale responsibilities, where possible. In 2017, we accepted responsibility to pay property taxes for acquired properties with a foreclosure sale date or final acceptance of an executed Mortgage Release occurring on or after July 1, 2017 for reverse mortgage loans. We are now accepting responsibility to pay property taxes for all acquired properties in REO inventory, including acquired properties with a foreclosure or Mortgage Release date that precedes the mentioned effective dates.

Additionally, to further reduce servicers' costs and operational risk, *Reverse Mortgage Loan Servicing Manual* [5-04, Property Management](#) has been further updated to remove the requirement that servicers pay co-op fees and assessments or ground rents for certain acquired properties in Fannie Mae's REO inventory, except when directed by Fannie Mae.

Effective Date

Fannie Mae will assume responsibility for

- property taxes for all acquired properties effective on October 1, 2018, without regard to the foreclosure sale or Mortgage Release date;
- ground rents for all acquired properties effective on October 1, 2018, without regard to the foreclosure sale or Mortgage Release date; and
- co-op fees and assessments for all acquired properties with a foreclosure sale or Mortgage Release date occurring on or after October 1, 2018.

Contact your Reverse Mortgage Loan Servicing Representative in Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

Carlos T. Perez
Senior Vice President and
Chief Credit Officer for Single-Family