



Servicing Guide Announcement SVC-2018-07

September 26, 2018

Foreclosure Sale Marketing and Foreclosure Auction Services

This Announcement includes changes related to the following topics:

- Foreclosure Sale Marketing and Foreclosure Auction Services*
- Payment Changes with Future Effective Dates*

*Policy change not applicable to reverse mortgage loans.

Foreclosure Sale Marketing and Foreclosure Auction Services

The foreclosure and third party sale program (TPS Program) applies to foreclosure sales on properties securing first lien conventional mortgage loans. To reduce expenses to both Fannie Mae and our servicers and to encourage more third-party foreclosure sales, we are updating [F-1-08, Managing Foreclosure Proceedings](#) to

- require mandatory use of Fannie Mae vendors for foreclosure sale marketing services in certain jurisdictions, and
- encourage the use of Fannie Mae vendors to conduct public foreclosure auction services in certain jurisdictions.

We have engaged Auction.com® and Altisource® as Fannie Mae vendors to provide these services in certain jurisdictions. Auction.com provides both foreclosure sale marketing and, if requested by Mortgage Default Counsel law firms, auction services. Altisource, through its auction platform Hubzu®, will provide foreclosure sale marketing services. The current process allowing the Mortgage Default Counsel law firm the option to choose whether to use a Fannie Mae vendor for foreclosure auction services will not change. For details on the jurisdictions where we have engaged these vendors, refer to the [Foreclosure Sale Marketing and Auction Services Exhibit](#); any future amendments will be communicated.

Effective Date

Servicers are encouraged to implement these changes for all foreclosure sales scheduled on or after October 1, 2018, but must implement them for all sales scheduled on or after January 1, 2019. The *Guide* will be updated with the next scheduled update to reflect these changes.

We will directly pay the vendors for any foreclosure sale marketing and foreclosure auction services assigned to them for foreclosure sales scheduled on or after October 1, 2018. To the extent that the servicer chooses to use a vendor for foreclosure sale-related services in jurisdictions where the vendor is not engaged by us, the servicer is responsible for paying the vendor.

Payment Changes with Future Effective Dates

We are simplifying servicing by introducing the ability to accept payment changes with future effective dates. Effective October 28, 2018, servicers will be able to submit payment changes for all future step-rate payment amounts upon processing a re-amortization (for example, after application of additional principal payments due to a substantial curtailment). This change will reduce hard and soft rejects and eliminate manual processes to update the payment for each subsequent step rate at the beginning of the applicable reporting cycle.

No action is required by servicers. However, servicers are encouraged to review the [Step-Rate Job Aid](#) for additional details related to properly submitting a payment change with a future effective date to Fannie Mae.



Contact your Fannie Mae account team, Portfolio Manager, or 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