

***Servicing Guide* Announcement SVC-2012-12**

July 25, 2012

Miscellaneous Servicing Policy Changes

This Announcement describes servicing policy changes or updates to the following:

- MERS Rule 14 Notice
- Approved Title Company List for Foreclosure Evidence of Title
- Change in Maximum Allowable Attorney Fees

MERS Rule 14 Notice

***Servicing Guide*, Part VIII, Section 101: Routine vs. Nonroutine Litigation**

Rule 14 of the MERS System Rules of Membership imposes notification requirements concerning “Legal Filings” that raise certain MERS-related challenges. The servicer is responsible for ensuring that any notification required under MERS Rule 14 is provided to MERSCORP Holdings, Inc, and immediately to Fannie Mae via email to nonroutine_litigation@fanniemae.com.

Approved Title Company List for Foreclosure Evidence of Title

***Servicing Guide*, Part VIII, Section 106.02: Special Rules for Arizona, California, and Washington Foreclosures; Section 106.05: Prohibition Against Servicer-Specified Vendors for Fannie Mae Referrals; Section 107.07: Title Evidence; and Section 110.03: Other Reimbursable Expenses**

The *Servicing Guide* provides that when referring a foreclosure to a trustee in the States of Arizona, California, or Washington, the servicer must require that the trustee obtain evidence of title for the foreclosure from a Fannie Mae-approved title company listed on eFannieMae.com. Effective immediately, Fannie Mae is eliminating the list of Fannie Mae-approved title companies and discontinuing this requirement. The trustee retained by the servicer may select the title company of its choice for foreclosure title work provided the title product is consistent with applicable law.

Fannie Mae will provide more specific guidance on title costs in the near future. However, the servicer must make every effort to reduce foreclosure-related costs and expenses as required by the *Servicing Guide* and in a manner that is consistent with all applicable law. Foreclosure title costs must be kept to a minimum. Where available, a title search, abstract, or Limited Trustee Sale Guaranty should be obtained in lieu of a full Trustee Sale Guaranty, when the cost of obtaining the title search, abstract, or Limited Trustee Sale Guaranty is less than the cost to obtain a full Trustee Sale Guaranty.

Fannie Mae also reminds servicers that they are prohibited from directly or indirectly requiring or encouraging attorneys or trustees to use specified vendors, including title companies.

Change in Maximum Allowable Attorney Fees

This Announcement updates Fannie Mae's maximum allowable foreclosure attorney fees for mortgage loans, participation pool mortgage loans, and MBS mortgage loans serviced under the special servicing option secured by properties located in the states listed in the Attachment. All of these fee revisions are effective for mortgage loans referred to an attorney on or after June 1, 2012. These fees include all steps required to complete a judicial or non-judicial foreclosure, as the case may be, other than fees for mediations and settlement conferences.

Announcements related to allowable attorney (or trustee) fees for jurisdictions not identified in this Announcement will be released in the future.

Fannie Mae's Regional Counsel must review and approve proceeding judicially in states identified as "On Approval" states. Servicers must request such approval by sending an email to nonroutine_litigation@fanniemae.com. Fannie Mae will provide procedural instructions and approve applicable fees at the time it grants approval.

The [Allowable Attorney and Trustee Foreclosure Fees](#) available on eFannieMae.com has been updated to reflect the fee changes in the Attachment and shall be effective until further notice from Fannie Mae.

Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicing Solutions Center at 1-888-FANNIE5 (888-326-6435) with any questions on this Announcement.

Gwen Muse-Evans
Senior Vice President
Chief Risk Officer for Credit Portfolio Management

Attachment

Changes in Allowable Foreclosure Attorney Fees

In states identified as “On Approval” states, Fannie Mae's Regional Counsel must review and approve proceeding judicially.

The complete list of [Allowable Attorney and Trustee Foreclosure Fees](#) (including the changes noted below) is available on eFannieMae.com.

Jurisdiction Name	Old Non-Judicial Fee	New Non-Judicial Fee	Old Judicial Fee	New Judicial Fee
Alabama	\$600	\$900	On Approval	On Approval
Colorado	\$875	\$1,225	On Approval	On Approval
Connecticut	N/A	N/A	\$1,500	\$1,700 ^{1,2}
Delaware	N/A	N/A	\$1,150	\$1,350
Florida	N/A	N/A	\$2,050	\$2,250
Georgia	\$600	\$900	On Approval	On Approval
Hawaii	\$1,100	\$1,100	\$2,200	\$2,400 ³
Illinois	N/A	N/A	\$1,550	\$1,750
Indiana	N/A	N/A	\$1,300	\$1,500
Iowa	\$550	\$850	\$1,100	\$1,300
Kansas	N/A	N/A	\$1,050	\$1,250
Kentucky	N/A	N/A	\$1,500	\$1,700
Louisiana	N/A	N/A	\$1,150	\$1,350
Maine	N/A	N/A	\$1,550	\$1,750
Maryland	\$1,300	\$1,600	On Approval	On Approval
Massachusetts	N/A	N/A	\$1,400	\$1,600 ¹
Michigan	\$700	\$1,000	On Approval	On Approval
Minnesota	\$700	\$1,025 ⁴	On Approval	On Approval
Missouri	\$650	\$950	On Approval	On Approval
Nevada	\$600	\$1,100	On Approval	On Approval
New Jersey	N/A	N/A	\$1,300	\$2,425
New Mexico	N/A	N/A	\$1,300	\$1,500
New York	\$800	\$800 ⁵	\$1,800	\$2,000 ^{1,6}
North Carolina	\$800	\$1,150	On Approval	On Approval
North Dakota	N/A	N/A	\$1,050	\$1,250
Ohio	N/A	N/A	\$1,500	\$1,700
Oklahoma	N/A	N/A	\$1,250	\$1,450
Oregon	\$675	\$1,000	\$1,850	\$2,050
Pennsylvania	N/A	N/A	\$1,450	\$1,650
South Carolina	N/A	N/A	\$1,450	\$1,650
South Dakota	N/A	N/A	\$1,050	\$1,250
Tennessee	\$600	\$900	On Approval	On Approval
Texas	\$600	\$900	On Approval	On Approval
Utah	\$600	\$925	On Approval	On Approval
Vermont	N/A	N/A	\$1,500	\$1,700
Virginia	\$600	\$925	On Approval	On Approval
Washington	\$675	\$1,000	On Approval	On Approval
Wisconsin	N/A	N/A	\$1,300	\$1,500

¹ An additional \$200 will be permitted when the property is sold to a third party and the attorney must perform additional work to complete the transfer of title to the successful bidder.

² This fee applies to Strict Foreclosures. If the court orders a Foreclosure by Sale, the fee will be \$1,950.

³ A fee of \$3,400 will be permitted for judicial foreclosures in locations other than Honolulu County.

⁴ This fee increases to \$1,400 for any case in which the attorney provides services for "proceedings subsequent" that involve registered land.

⁵ Non-judicial fee in New York is for cooperative property foreclosures only.

⁶ A fee of \$2,400 will be permitted for judicial foreclosures in the City of New York and on Long Island (Nassau and Suffolk Counties).