

***Servicing Guide* Announcement SVC-2013-01**

February 13, 2013

Updates to Compensatory Fees and Allowable Foreclosure Time Frames

This Announcement describes updates to the following:

- compensatory fee assessment,
- maximum allowable foreclosure time frames in twelve jurisdictions, and
- allowable delays.

This Announcement applies to all conventional mortgage loans held in Fannie Mae's portfolio and MBS pool mortgage loans guaranteed by Fannie Mae.

Compensatory Fee Assessment

***Servicing Guide*, Part I, Section 201.11.07: Delays in the Liquidation Process and Part VIII, Section 106.08: Allowable Time Frames for Completing Foreclosure**

As outlined in the *Servicing Guide*, Fannie Mae may select compensatory fees as the appropriate remedy for delays in connection with a completed foreclosure. Currently, Fannie Mae does not assess compensatory fees for delays in the liquidation process when a third-party acquires the property at the foreclosure sale (third-party sale).

Effective for all foreclosure sales on or after July 1, 2013, foreclosure sales that result in a third-party sale will be included in the foreclosure time frame compensatory fee calculation, following the current compensatory fee billing process for foreclosure delays.

Allowable Foreclosure Time Frames


***Servicing Guide*, Part VIII, Section 106.08: Allowable Time Frames for Completing Foreclosure**

Fannie Mae has revised the maximum number of allowable days within which routine foreclosure proceedings are to be completed in twelve jurisdictions as described in the [Foreclosure Time Frames and Compensatory Fee Allowable Delays](#) document on Fannie Mae's website.

- The maximum number of allowable days has been increased for the following jurisdictions: California, Colorado, Hawaii, Massachusetts, North Carolina, Oregon, Pennsylvania, and Rhode Island. Time frame increases will be effective for foreclosure sales on or after April 1, 2013.
- In the following jurisdictions, the maximum number of allowable days has been decreased: Alabama, Iowa, Missouri, and Wisconsin. Time frame reductions will be effective for mortgage loans that become delinquent on or after March 1, 2013.

Allowable Delays

When determining the servicer's compliance with Fannie Mae's time frames for completing foreclosure, adjustments are made for allowable delays. Fannie Mae has added a new allowable delay for certain foreclosure sales in New Jersey. For foreclosure sales on or after April 1, 2013, credit will be given for the



actual number of days the mortgage loan is reported in a foreclosure status between December 2010 and April 2012, up to a maximum of 180 days.

Fannie Mae has also added 90 days to the allowable delay for Military Indulgence, effective for foreclosure sales on or after November 1, 2012.

The *Foreclosure Time Frames and Compensatory Fee Allowable Delays* document has been revised to reflect the changes in this Announcement.

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

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