

Servicing Guide Announcement SVC-2013-04

March 06, 2013

Hazard Insurance Coverage

Servicing Guide, Part VIII, Section 113: Hazard Insurance Coverage

Effective immediately, for all mortgage loans where the foreclosure sale was or will be held on or after October 1, 2012, servicers must cancel hazard insurance coverage (for both borrower and lender-placed policies) within 14 calendar days after the property appears on the Vacancy Report in HomeTracker®.

Servicers will be able to identify when a property was added to the Vacancy Report in HomeTracker by referencing the “date loaded in HT” field on the report. Servicers must have procedures in place to view HomeTracker regularly for updates to the Vacancy Report.

For properties foreclosed on or after October 1, 2012 that have hazard insurance coverage still in place, if the “date loaded in HT” was before March 6, 2013, the servicer must cancel the insurance by March 20, 2013.

As a reminder, if the servicer cancels the insurance policy prematurely and damages are found, the servicer will be required to make Fannie Mae whole for any losses or fees relating to the property damages.

Servicers can register for HomeTracker following the instructions on [Fannie Mae's website](#). Any inquiries regarding the Vacancy Report and cancellation of hazard insurance should be addressed to: reo_hazard_claims@fanniemae.com.

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

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