

***Servicing Guide* Announcement SVC-2013-14**

July 1, 2013

Hardest-Hit Fund[®] Modification Assistance Programs

Lender Letter LL-2012-08, *Hardest-Hit Fund Consolidated Guidance*, provided guidance to servicers in connection with loan modification assistance programs. This Announcement notifies servicers that they must accept modification assistance received from a Housing Finance Agency (HFA) for a mortgage loan in connection with any Fannie Mae modification, without regard to whether principal forbearance is required. In doing so, servicers must also comply with the conditions outlined in Announcement SVC-2011-18, *Updates to Delinquency Management and Default Prevention Requirements*.

If the borrower successfully completes a Trial Period Plan but the servicer does not receive the HFA funds prior to the due date of the first modified mortgage payment, the servicer must re-evaluate the borrower to determine eligibility for a modification, in accordance with the *Servicing Guide*. If the borrower no longer qualifies for a modification, the servicer must send the case to Fannie Mae for decision. If, however, the servicer determines that the borrower qualifies for a modification, the servicer must not require the borrower to complete a new Trial Period Plan, even if the modified monthly mortgage payment will be higher than the Trial Period Plan payment.

The [Evaluation Notices \(Trial Period Plan\)](#) for Fannie Mae modifications have been modified to accommodate the changes in this Announcement.

Effective Date

Servicers are encouraged to implement the new policies in this Announcement immediately; however, servicers are required to implement these policies no later than October 1, 2013.

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.

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