

***Servicing Guide* Announcement SVC-2013-25**

December 11, 2013

Bankruptcy and Foreclosure Attorney Fees and Other Reimbursable Expenses

This Announcement describes policy updates regarding

- allowable bankruptcy attorney fees,
- allowable foreclosure attorney fees, and
- other reimbursable expenses related to foreclosure and bankruptcy matters.

Allowable Bankruptcy Attorney Fees

***Servicing Guide*, Part VII, Section 501.03: Allowable Attorney Fees**

Fannie Mae is updating the allowable bankruptcy attorney fees it will reimburse servicers. Fannie Mae is also adding or clarifying

- the legal services that are encompassed within each allowable fee,
- the services that will require excess fee approval from Fannie Mae in order to reimburse the servicer, and
- the services that are not reimbursed by Fannie Mae.

The *Allowable Bankruptcy Attorney Fees* exhibit on [Fannie Mae's website](#) has been updated to reflect the new allowable bankruptcy attorney fees and services. The fees highlighted in bold in the updated exhibit have been added or updated with this Announcement.

Effective Date

The bankruptcy attorney fee updates and legal services described in this Announcement and available in the *Allowable Bankruptcy Attorney Fees* exhibit are applicable to all bankruptcy legal services rendered on or after November 1, 2013.

Allowable Foreclosure Attorney Fees

***Servicing Guide*, Part VIII, Section 106.04: Attorney (or Trustee) Fees**

This Announcement updates Fannie Mae's maximum allowable foreclosure attorney fees for all Fannie Mae mortgage loans secured by properties located in the States of New York and Washington. These fees for New York and Washington 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.

The updated *Allowable Foreclosure Attorney Fees* exhibit is available on [Fannie Mae's website](#). The fees highlighted in bold in the updated exhibit have been added or updated with this Announcement.

For purposes of this Announcement, the term “active” means that a foreclosure matter has not yet gone to foreclosure sale, and has not been concluded by some other event, such as a Mortgage Release™ (deed-in-lieu of foreclosure), short sale, mortgage loan modification, payoff, or reinstatement.

Effective Date

- State of New York: This fee applies to all matters referred to counsel for initiation of foreclosure on or after **June 1, 2011**, by the present or prior servicer, provided the matter is still active as of the date of this Announcement.
- State of Washington: This fee applies to all matters referred to counsel for initiation of foreclosure on or after **September 1, 2012**, by the present or prior servicer, provided the matter is still active as of the date of this Announcement.

Reimbursement for Postage Costs

Servicing Guide, Part VIII, Section 106.04: Attorney (or Trustee) Fees and Part VIII, Section 110.03: Other Reimbursable Expenses


Fannie Mae is updating its requirements for reimbursement of postage costs in connection with foreclosure and bankruptcy matters. Fannie Mae will reimburse the servicer for postage incurred by law firms for first-class mail and certified or registered mail when required, provided the postage costs are incurred by the law firm retained by the servicer to handle Fannie Mae foreclosure and bankruptcy matters on mailings that are required by

- state statute,
- court rule or court order, or
- the Fannie Mae *Post Referral to Foreclosure Solicitation Letter*.

Fannie Mae will *not* reimburse the servicer for postage costs incurred in connection with mailings by the servicer or law firm that are associated with servicer functions. Examples of mailings that are associated with servicer functions are

- demand and acceleration letters;
- communications with borrowers or third parties related to general servicing matters that are not required by state statute, court rule or order, other than the Fannie Mae *Post Referral to Foreclosure Solicitation Letter*;
- correspondence addressing allegations of servicing or origination error;
- responses to Qualified Written Requests under the Real Estate Settlement Procedures Act (RESPA); and
- responses to Fair Debt Collection Practices Act (FDCPA) letters.

All postage costs must be actual, reasonable, and necessary. Fannie Mae will not reimburse the servicer for the cost of mailing preparation services, overnight mail, stationery, envelopes, or postage meter rental.



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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