

***Servicing Guide* Announcement SVC-2014-20**

November 12, 2014

Introducing the New Single-Family *Servicing Guide*

Fannie Mae is announcing the publication of the new Single-Family *Servicing Guide* (“*Servicing Guide*”), which will replace the *2012 Servicing Guide* (as updated by Announcements) in its entirety.

Goals of the New *Servicing Guide*

Fannie Mae’s goals in creating the newly restructured and rewritten *Servicing Guide* were to make it easier for servicers to do business with Fannie Mae. The new *Servicing Guide*

- makes it easier to locate servicing-related policies and requirements;
- streamlines policy content by moving the procedural requirements to new separate *Servicing Guide Procedures*;
- increases readability by using tables, bulleted lists, and more descriptive topic titles; and
- allows for real-time updates as policies and requirements change.

Organization of the New Content

The new *Servicing Guide* is organized into parts that reflect the organization of a servicer’s operations. The structure within each part is further divided into subparts, chapters, sections, and topics that closely follow the mortgage loan lifecycle. All Fannie Mae servicing policies and requirements in the new *Servicing Guide* are located at the topic level. See the *Servicing Guide* Preface for an example of topics included by part and an overview of the new numbering system (similar to the numbering system of the Fannie Mae Single-Family *Selling Guide*).

Similarly, *Servicing Guide Procedures* are included in part F and are divided into documents based on servicing functional area or responsibility, which may serve as stand-alone reference documents.

Contents of the new *Servicing Guide*

The new *Servicing Guide* contains policies and requirements from the *2012 Servicing Guide*, as amended through Announcements issued since September 2, 2011. All Announcements issued through October 17, 2014, have been incorporated into the new *Servicing Guide*.

With the new *Servicing Guide*, Fannie Mae

- removed policies that are not required or duplicative,
- aligned certain content to be consistent with the *Selling Guide*, and
- added new policies that are being communicated through this Announcement.

Policies Removed as Not Required or Duplicative

In rewriting the *Servicing Guide*, policies and requirements that required that a servicer “should” take a specific action have been changed to “must” when required. Conversely, if the policy indicated that a servicer “should” take an action that was deemed as optional, the policy was not included in the new *Servicing Guide*.

Additionally, Fannie Mae removed most references to, or specific requirements relating to, specific laws and regulations that are duplicative of Fannie Mae’s overarching requirement for a servicer to be in compliance with applicable law. For the same reason, Fannie Mae removed policies and requirements related to the servicing of ARM loans that are duplicative of obligations outlined in the Fannie Mae/Freddie Mac uniform mortgage security instruments. All references to Graduated Payment ARM (GPARM) loans have been deleted because the graduated payment period for all Fannie Mae mortgage loans has expired.

Content Revised to be Consistent with the Selling Guide

Both the Selling Guide and *Servicing Guide* are incorporated into the Mortgage Selling and Servicing Contract by reference and, as such, sellers/servicers are bound by both. For ease of reference for servicer-only entities, language has been added to the *Servicing Guide* in lieu of a cross-reference to the *Selling Guide*, where applicable. Additionally, the language in Compliance with Applicable Laws (as previously indicated in *2012 Servicing Guide* Part I, Section 305.07) was revised to be consistent with the existing Compliance with Applicable Laws language in the *Selling Guide*.

New Policies Incorporated through this Announcement

In order to ensure that the new *Servicing Guide* is up-to-date with all recent policies, the following new policy updates are incorporated into the new *Servicing Guide* and communicated through this Announcement:

- removed the policies and requirements previously in *2012 Servicing Guide* Part I, Section 207.08: Substitution in Lieu of Repurchase of MBS Mortgage Loans;
- updated the policy related to the time frame required to terminate lender-placed insurance to align with applicable law;
- changed the policy related to modifications of first lien mortgage loans secured by properties where title is held in leasehold estates to indicate that the leasehold must not expire prior to the date that is five years beyond the new modified mortgage loan maturity date, unless the fee simple title will vest at an earlier date in the borrower; and
- confirmed that condemned properties may be eligible for a Fannie Mae Streamlined Modification.

Other Noteworthy Changes

- General use of the term “lender” was changed to “seller/servicer”, “seller”, or “servicer”, as applicable.
- References to special relief provisions and foreclosure prevention alternatives are simply referred to in the new *Servicing Guide* as “workout options”.
- All policies and requirements for balloon mortgage loans have been placed in the Balloon Mortgage Loan Servicing Manual.

- All procedural requirements for investor reporting have been placed in the new Investor Reporting Manual.
- The Reverse Mortgage Loan Servicing Manual has been republished with cross-references to the new 2014 *Servicing Guide*, as applicable.
- All references to “Form 571” have been replaced with “request for expense reimbursement” in the 2014 *Servicing Guide*.
- Detailed credit bureau reporting requirements for mortgage loan modifications were removed for the Fannie Mae Standard Modification, Fannie Mae HAMP Modification, and Fannie Mae 2MP Modification (previously in 2012 *Servicing Guide* Part VII, Sections 602.04.03, 609.07.05 and 612.04.05) in deference to CDIA guidelines.
- The policy related to instructing a borrower to list a property for rent (as previously indicated in 2012 *Servicing Guide* Part VII, Section 306) was removed.

Future Servicing Guide Updates

Fannie Mae may at any time alter or waive any of the requirements, impose other additional requirements, or rescind or amend any and all material set forth in the *Servicing Guide*. The servicer must make sure that its staff is thoroughly familiar with the content and requirements of the *Servicing Guide* as it now exists and as it may be amended from time to time in the future.

With the publication of the new *Servicing Guide*, Fannie Mae’s goal is to publish an updated version of the *Servicing Guide* which incorporates the amendments in real-time. A summary Announcement will be communicated to notify the servicer of the amendments.

See the *Servicing Guide* Preface for more details on how Fannie Mae communicates amendments to the *Servicing Guide* and how to identify policy change effective dates.

Access Options

A servicer may access the new *Servicing Guide* by

- viewing electronic web pages on Fannie Mae’s website,
- viewing a PDF version on Fannie Mae’s website, and/or
- subscribing directly to AllRegs from the AllRegs’ website.

The servicer should contact its Servicing Consultant, Portfolio Manager, or Fannie Mae’s NSO Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Announcement.

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