

Servicing Guide Announcement SVC-2015-10

July 08, 2015

Servicing Guide Updates

The *Servicing Guide* has been updated to include the following:

- Updates to Post-Foreclosure Bankruptcy Filing Requirements
- Updates to Requirements Related to MBS Reclassification
- Updates to the Application of HAMP Incentives
- Changes to Form 181
- Miscellaneous Revisions
- Reminder of July 7th Servicing Notice

Each of these updates is described below. The servicer must review each topic in the *Servicing Guide* in its entirety to gain a full understanding of the policy change(s).

Updates to Post-Foreclosure Bankruptcy Filing Requirements

Servicing Guide [E-2.3-07, Responding to Post-Foreclosure Bankruptcy Filings](#) has been updated to remove the option that the servicer pay up to \$500 in attorney fees and associated costs related to post-foreclosure bankruptcy filings. Instead, Fannie Mae will select and monitor the law firm to handle the post-foreclosure bankruptcy proceeding and will advise the law firm of the applicable fee when it refers the case.

Effective Date

The servicer is encouraged to implement this policy change immediately, but must do so by September 1, 2015.

Updates to Requirements Related to MBS Reclassification

Servicing Guide [A1-3-07, Automatic Reclassification of MBS Mortgage Loans](#) and *Servicing Guide* [F-1-36, Reclassifying an MBS Mortgage Loan](#) have been updated to accurately reflect the existing requirements for deselecting a mortgage loan that Fannie Mae has selected for reclassification.

Effective Date

These policy changes are effective immediately.

Updates to the Application of HAMP Incentives

Fannie Mae is updating its policies and requirements regarding the order in which the servicer must apply the HAMP borrower “pay for performance” incentives. Lender Letter LL-2015-01: Notification of

Future Updates to Borrower “Pay for Performance” Incentives for a Fannie Mae HAMP Modification (and subsequently incorporated into the *Servicing Guide* with Announcement SVC-2015-05: Servicing Guide Updates), stated that if the borrower “pay for performance” incentive is greater than or equal to the interest-bearing UPB, the servicer must apply the incentive to any principal forbearance amount and then to the interest-bearing UPB. With this Announcement, the *Servicing Guide* has been updated to indicate that the servicer must apply all HAMP borrower “pay for performance” incentives first toward reducing the interest-bearing UPB and then towards any principal forbearance amount.

Updated Servicing Guide Topics

- *Servicing Guide* [F-1-29, Processing a Workout Incentive Fee](#)
- *Servicing Guide* [F-2-03, Incentive Fees for Workout Options](#)

Effective Date

The servicer is encouraged to implement these policy changes immediately, but must implement the policy changes by September 1, 2015.

Changes to Form 181

The *Servicing Guide* has been updated to require the use of the new *Agreement for Modification, Re-Amortization, or Extension of a Mortgage (Form 181)* to document the borrower’s acceptance of a re-amortization offer. All references to [Form 181](#) in the *Servicing Guide* have been updated accordingly.

Updated Servicing Guide Topics

- *Servicing Guide* [C-1.2-01, Processing Additional Principal Payments](#)
- *Servicing Guide* [D2-3.1-05, Interacting with Housing Finance Agencies and Hardest-Hit Fund Programs](#)
- *Servicing Guide* [D2-3.2-06, Government Mortgage Loan Modifications](#)
- *Servicing Guide* [D2-3.2-07, Fannie Mae HAMP Modification](#)
- *Servicing Guide* [F-1-26, Processing a Government Mortgage Loan Modification](#)
- *Servicing Guide* [F-1-33, Reporting a Workout Option via HomeSaver Solutions Network™](#)

Effective Date

The servicer is encouraged to implement these policy changes immediately, but must implement the policy changes by September 1, 2015.

Miscellaneous Revisions

The *Servicing Guide* has been revised to remove the requirement from *Servicing Guide* [D2-3.2-07, Fannie Mae HAMP Modification](#) that the effective date of the Trial Period Plan for a Fannie Mae HAMP modification must be on or before March 31, 2016.

The [Evaluation Notices](#) Exhibit has been updated to reflect the changes to:

- the HAMP borrower “pay for performance” incentives; and
- *Servicing Guide* [D2-3.2-08, Fannie Mae Streamlined Modification](#) which were previously communicated in Announcement SVC-2015-04: Servicing Guide Updates.



Reminder of July 7th Servicing Notice

Fannie Mae will continue to adjust the Fannie Mae Standard Modification Interest Rate for new mortgage loan modifications based on market conditions from time-to-time but will no longer issue a Servicing Notice with each Fannie Mae Standard Modification Interest Rate adjustment. Therefore, the servicer must access the [Fannie Mae Standard Modification Interest Rate Exhibit](#) on Fannie Mae's website to ensure that the correct interest rate is utilized when evaluating a mortgage loan for a mortgage loan modification.

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

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