



Servicing Guide Announcement SVC-2016-08

September 14, 2016

Servicing Guide Updates

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

- Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit*
- Mortgage Insurer Delegations for Workout Options*
- Form 3179 and Form 181 Loan Modification Agreement Instructions*

* Policy change not applicable to reverse mortgage loans.

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).

Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit

As required under the direction of FHFA on April 28, 2011, the [Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit](#) has been updated to reflect the maximum number of allowable days within which routine foreclosure proceedings are to be completed.

The maximum number of allowable days has increased for the following jurisdictions: Alaska, Delaware, Iowa, Illinois, Indiana, Kentucky, Massachusetts, Montana, New Hampshire, New Jersey, New Mexico, New York City, New York, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Vermont, Washington, and Wisconsin. These time frame increases will be effective for foreclosure sale dates on or after September 1, 2016, with the number of allowable days to be determined based on the applicable last paid installment (LPI) due date.

The maximum number of allowable days has decreased for the following jurisdictions: Arizona, Georgia, Hawaii, Kansas, Minnesota, Mississippi, Nebraska, and West Virginia. These time frame decreases will only be applicable to mortgage loans with an LPI due date on or after April 1, 2016.

All other state foreclosure time frames will remain unchanged at this time.

To provide you with additional clarity and transparency, the [Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit](#) has been revised to include all allowable foreclosure time frames based on the due date of the LPI.

Mortgage Insurer Delegations for Workout Options

Fannie Mae has obtained delegations of authority from mortgage insurers, on behalf of all servicers, which allows the servicer to process a workout approved by Fannie Mae through HSSN without obtaining separate mortgage insurer approval at the company or loan level. As a result, *Servicing Guide* [F-2-07, Mortgage Insurer Delegations for Workout Options](#) now reflects the list of conventional mortgage insurers from which Fannie Mae has obtained delegations of authority on behalf of all servicers for both workouts approved by the servicer in accordance with the *Servicing Guide* and workouts approved by Fannie Mae in its discretion.

Updated Servicing Guide Topics

- *Servicing Guide* [D2-3.2-05, Fannie Mae Standard Modification](#)
- *Servicing Guide* [D2-3.2-08, Fannie Mae Streamlined Modification](#)



- *Servicing Guide* [D2-3.2-09, Fannie Mae Streamlined Modification Post Disaster Forbearance](#)
- *Servicing Guide* [D2-3.2-10, Fannie Mae Cap and Extend Modification for Disaster Relief](#)
- *Servicing Guide* [D2-3.2-11, Fannie Mae MyCity Modification](#)
- *Servicing Guide* [D2-3.2-12, Fannie Mae 2MP Modification](#)
- *Servicing Guide* [F-2-07, Mortgage Insurer Delegations for Workout Options](#)

Effective Date

The servicer is encouraged to implement this policy change immediately; but must implement the change by November 1, 2016.

Form 3179 and Form 181 Loan Modification Agreement Instructions

The instructions to *Loan Modification Agreement* ([Form 3179](#)) and *Agreement for Modification, Re-Amortization, or Extension of a Mortgage* ([Form 181](#)) have been revised to add a new authorized change. The servicer is authorized to omit information that is unnecessary when a loan modification agreement will not be recorded.

Effective Date

The servicer is authorized to implement these changes immediately.

Please contact your Servicing Consultant, Portfolio Manager, or Fannie Mae's Single-Family Servicing, Servicer Support Center at 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

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