



Servicing Guide Announcement (SVC-2020-01)

Feb. 12, 2020

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

- **[Prorated attorney fees and foreclosure milestone invoicing](#)***: We updated the foreclosure milestone schedule and eliminated prorated fee requirements.
- **[Delinquency exception reporting](#)***: We clarified when delinquency status exception reports will be made available to servicers.

View the list of [impacted topics](#).

We are also reminding servicers of their responsibility to compensate the law firm for default-related services that are not a part of the allowable foreclosure attorney fee and would otherwise be considered a servicing function included in the servicing fee.

*Policy change not applicable to reverse mortgage loans.

Prorated attorney fees and foreclosure milestone invoicing

To simplify servicers' operational requirements related to milestone billing, we have established a single standard non-judicial foreclosure milestone invoicing schedule and a single standard judicial foreclosure milestone invoicing schedule. As a result, we have removed our prorated foreclosure fee requirements. The updated milestone invoicing schedules will ensure servicers compensate law firms according to the last milestone completed, and servicers need not compensate law firms for prorated attorney fees between milestones. Servicers must work with law firms as needed to apply the milestone invoicing schedule to the applicable state's process in a way that best aligns local practices to the milestones when the jurisdiction's process or terminology do not exactly match the milestone schedule.

Effective: Servicers are encouraged to implement these policy changes immediately, but must do so for invoices law firms submit to servicers on or after June 1, 2020.

Delinquency exception reporting

Currently, we provide an approximate date on which the *Delinquency Exception Summary Report* and *Delinquency Exception Details Report* will be made available to servicers. To provide clarity with respect to servicers' responsibilities related to identifying and correcting delinquency status exceptions, we have updated the *Guide* to clarify that we will make the delinquency status exception reports available in Asset Management Network (AMN) on the second calendar day following the second business day of the month.

Effective: This policy clarification is effective immediately.

Miscellaneous update

Compensating Law Firms for Servicing Functions. We are reminding servicers of their responsibility to compensate law firms for default-related services that are not a part of the allowable foreclosure attorney fee and would otherwise be considered a servicing function included in the servicing fee. Pursuant to [E-5-04: Allowable Foreclosure Fees](#), the servicer must not require the law firm to perform any such services without compensation. When the servicer refers work that is a servicing function to the law



firm, such as preparing or issuing payoff or reinstatement quotes, the servicer must compensate the law firm for its services, and must not request reimbursement from us.

See the *Servicing Guide* for details about these updates.
Servicers who have questions about this Announcement should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae’s Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643).

Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics (Dated Feb. 12, 2020)
Prorated Attorney Fees and Foreclosure Milestone Invoicing	<ul style="list-style-type: none">▪ E-5-02, Servicer Responsibilities Prior to Requesting Reimbursement of Attorney Fees and Cost▪ E-5-04, Allowable Foreclosure Fees▪ E-5-05: Prorated Attorney Fees / Reimbursement of Uncollected Fees, Costs or Advances▪ F-1-05, Expense Reimbursement
Delinquency Exception Reporting	<ul style="list-style-type: none">▪ F-1-22: Reporting a Delinquent Mortgage Loan via Fannie Mae’s Servicing Solutions System