

Document Custodian Notice RDC-2021-03

March 19, 2021

Summary

The Document Custodian Notice includes the following topics:

- Guidance for the 2021 Agreed Upon Procedures (AUP)

Guidance for the 2021 AUP

In response to restrictions Document Custodians may still have in place limiting or fully restricting outside parties from being on-site, Fannie Mae is continuing with the following guidance that was in place for the 2020 AUPs. This guidance is supplemental to the requirements outlined in the Independent Audit Requirements (IARDC).

The following additional information will need to be included in the auditor’s report if the third-party auditor will not be performing its duties on-site.

Section 1 – Loan Sample Test

- 1.2 – Auditor will need to explain the process used to review the note against the data, including note-specific requirements such as confirmation of the note being an original, verification of borrower signature and endorsement (e.g., original vs. facsimile).

Section 2 – C. Reporting and Organizational Structure

- If reporting and organization structure has changed from 2020, evidence will need to be provided to confirm there is segregation of duties, files, and operations between lending and custodial functions.

Section 2 – E. Physical Facilities

- If vault is not being physically visited, the auditor will need to explain which requirements in this section were and were not able to be tested remotely.

Section 2 – G. Practices – Certification

- Auditor will need to document evidence that was provided and how the auditor gained comfort that the requirements can be fully tested.

The chart below provides Required Actions the Document Custodians must take depending on the Scenario.

Scenario	Required Action
Auditor cannot complete all requirements of IARDC.	Reach out to SF Custody Ops Analyst to request a waiver on requirements that cannot be completed. Waiver request must include why requirements cannot be completed. AUP to be submitted for requirements that were completed.
Auditor can complete all requirements of Independent Audit Requirements for Document Custodians (IARDC).	Document Custodian submits AUP based on agreed upon due date.
Auditor can complete all requirements of IARDC, but not by audit due date.	Reach out to SF Custody Ops Analyst to request a due date deferral.
Auditor cannot engage for the 2021 AUP/no requirements for the 2021 AUP can be completed.	Reach out to SF Custody Analyst and request a meeting to discuss situation.



Effective Date

Guidance is effective immediately and only pertains to the 2021 AUPs, July and December cycles.

For any questions regarding this Document Custodian notice, please contact Fannie Mae at custodian_oversight@fanniemae.com.

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