

Servicing Guide Lender Letter LL-2012-04

April 11, 2012

To: All Fannie Mae Single-Family Servicers

City of Chicago Vacant Property Ordinance Update

This Lender Letter is a follow up to the Servicing Notice: *City of Chicago's Vacant Property Ordinance* issued on December 21, 2011. The Vacant Property Ordinance (the Ordinance) imposed registration fees, taxes, fines, penalties, and maintenance obligations associated with vacant properties located within the City of Chicago.

Effective May 1, 2012, servicers will be required to submit expense reimbursement requests using the *Cash Disbursement Request* ([Form 571](#)) and the updated expense designations for all expenses related to the Ordinance which are not otherwise required by the *Servicing Guide*. The expense designations to be used are listed in the Attachment to this Lender Letter.

- All Ordinance-related expenses must be submitted to Fannie Mae within 10 business days of the date they are paid by the servicer. Failure to adhere to the 10 business-day requirement may result in Fannie Mae's denying the request or assessing a late submission compensatory fee.
- Ordinance-related expenses incurred from November 19, 2011, through April 30, 2012, must be submitted for reimbursement using the new expense categories for the Form 571 no later than May 31, 2012.
- Fannie Mae will not reimburse servicers for any penalties, fines, expenses, or interest assessed by the City of Chicago for failure to comply with the Ordinance.
- Servicers must submit a request for pre-approval for Ordinance expenses that exceed the allowable limits on or after May 1, 2012, using HomeTracker®.

Additionally, all payments made to the City of Chicago, including vacant property registration payments, must be made "under protest" by sending a written communication to the City with the registration fee. This written communication must note that the Federal Housing Finance Agency determined that the registration fee does not apply to Fannie Mae, and that the registration fee therefore is paid under protest.

Servicers should contact their Servicing Consultant, Portfolio Manager, Investor Reporting Business Analyst, or Fannie Mae's National Servicing Organization's Servicing Solutions Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Lender Letter.

Gwen Muse-Evans
Vice President
Chief Risk Officer for Credit Portfolio Management

Attachment

Chicago Vacant Property Ordinance Expense Categories

CATEGORY	SUBCATEGORY
Property Services	Vacant Property Registration Fee
Property Services	Initial Grass Cut - 10,001 - 15,000 sq ft
	Initial Grass Cut - 15,001 - 25,000 sq ft
	Initial Grass Cut - 25,001 - 35,000 sq ft
	Initial Grass Cut - 35,001 - 43,560 sq ft
	Initial Grass Cut - Less than 10,000 sq ft
	Initial Grass Cut - Over an acre
	Initial Grass Cut - Perimeter - over an acre
	Initial Grass Cut - Perimeter - under an acre
Property Services	Re-Cuts - 10,001 - 15,000 sq ft
	Re-Cuts - 15,001 - 25,000 sq ft
	Re-Cuts - 25,001 - 35,000 sq ft
	Re-Cuts - 35,001 - 43,560 sq ft
	Re-Cuts - Less than 10,000 sq ft
	Re-Cuts - Over an acre
	Re-Cuts - Perimeter - over an acre
	Re-Cuts - Perimeter - under an acre
Property Services	Landscaping - Tree Removal
	Landscaping - Trim Trees, Shrubs, and Vines
Property Services	Boarding - Boarded Doggy Door
	Boarding - Boarded Doors (UI)
	Boarding - Boarded Garage Door - Double
	Boarding - Boarded Garage Door - Single
	Boarding - Boarded Windows (UI)
	Boarding - Crawl Space
	Boarding - Deboard Door
	Boarding - Installed Security Door
Property Services	Repair - Fence Repair
Property Services	Pool Securing - Repair/Replace Fence or Gate
Property Services	Misc - Steps
Property Services	Cleaning - Refrigerator
	Cleaning - Standalone Freezer
	Cleaning - Toilet
	Debris Removal - Exterior
	Debris Removal - Interior
	Move Personal Property - Exterior
	Move Personal Property - Interior

CATEGORY	SUBCATEGORY
Property Services	Lock Change
	Lock Change - Hasp and Padlock
	Lock Change - Install Sliding Glass Door Lock
	Lock Change - Padlock
	Lock Change - Window Lock Change
Property Services	Misc - Removed Animal
Property Services	Pool Securing - Clean Pool/Spa
	Pool Securing - Covered Pool/Spa
	Pool Securing - Dismantle and Remove Pool
	Pool Securing - Drain Pool/Spa
	Pool Securing - Repair/ Replace Lanai
	Pool Securing - Repair/Replace Fence or Gate
Property Services	Address Posting
	Demolition
	Extermination - Over the Counter Products
	Extermination - Professional
	Fine, Fees, and Liens for Property Preservation Code Violations
	Misc - Paint Exterior
	Misc - Paint Interior
	Miscellaneous
	Pump - Pump Basement
	Pump - Repair/Replace Sump Pump
Property Services	Misc - Cap Exposed Wires
	Misc - Cap Gas Lines
	Misc - Cap Water Lines
	Misc - Cover Dryer Vent
	Misc - Discoloration Treatment
	Misc - Install/Repair Handrails
	Misc - Repair Garage Door
	Misc - Repair/ Replace Door Jamb
	Misc - Repair/ Replace Fascia
	Misc - Repair/ Replace Gate
	Misc - Repair/ Replace Lanai
	Misc - Repair/ Replace Siding
	Misc - Repair/ Replace Soffit
	Misc - Steps
	Repair - Emergency Repairs
	Repair - Fence Repair
	Repair - Other
	Repair - Plumbing Repairs
	Roof - Gutter Repair/Clean

CATEGORY	SUBCATEGORY
	Roof Work - Capping
	Roof Work - Repaired Roof
	Roof Work - Replaced Roof
	Roof Work - Tarped Roof
Property Services	Misc - Snow Removal
Property Services	Pool Securing - Winterize Hot Tub
	Pool Securing - Winterize Pool