

Servicing Notice

July 18, 2012

Servicing Notice: Fannie Mae Standard Modification Rate Adjustment

The terms of Fannie Mae standard modifications for conventional mortgage loans require that the modified interest rate be set to the rate established by Fannie Mae. Fannie Mae reviews this modification rate periodically and may adjust it based on market conditions.

With this Notice, Fannie Mae is adjusting the required interest rate for Fannie Mae standard modifications with a pre-modification mark-to-market loan-to-value (MTMLTV) ratio greater than or equal to 80%. The required modification rate is posted on eFannieMae.com.

Servicers are strongly encouraged to implement the new modification rate for Fannie Mae standard modifications with Trial Period Plans that are effective on or after August 1, 2012, but are required to do so for Fannie Mae standard modifications with Trial Period Plans that are effective on or after September 1, 2012. Servicers are reminded that the interest rate used for the permanent modification must be the interest rate reflected on the borrower's Trial Period Plan.