

Servicing Guide Announcement SVC-2014-14

July 9, 2014

Miscellaneous Servicing Policy Updates

This Announcement describes the following policy updates and clarifications:

- ordering a property valuation for short sales, Mortgage Releases™, and foreclosure sale bidding instructions;
- documenting military indulgence relief requests;
- submitting financial statements and reports; and
- mortgage loan modification monthly principal and interest payment requirements.

Effective Date

Unless otherwise stated, the servicer is encouraged to implement the new policies in this Announcement immediately; however, servicers are required to implement these policies no later than October 1, 2014.

Ordering a Property Valuation for Short Sales, Mortgage Releases, and Foreclosure Sale Bidding Instructions

Servicing Guide, Part VII, Section 604.03: Determining the Market Value of the Property; Section 606: Deeds-in-Lieu of Foreclosure; Section 610.05: Determining the Estimated Sales Price of the Property; Part VIII, Section 107.05: Bidding Instructions; and Servicing Guide Announcement SVC-2013-06: Miscellaneous Servicing Policy Updates

The servicer must now use the Valuation Management System (VMS) application and the *VMS Order Template*, formerly known as the *Order with Validation* template, to submit property valuation orders for short sales and, if required by Fannie Mae or a mortgage insurer, for Mortgage Releases and foreclosure sale bidding instructions.

To obtain access to the VMS application, the servicer must complete a *VMS User Setup Template* and submit it to valuation_operations@fanniemae.com. The *VMS Order Template* and *VMS User Setup Template* are located on [Fannie Mae's website](#).

There are no changes to the current process for ordering a broker price opinion or appraisal when required for the evaluation of a mortgage loan modification.

Documenting Military Indulgence Relief Requests

Servicing Guide, Part III, Chapter 1, Exhibit 1: Military Indulgence; Servicing Guide Announcement SVC-2013-07: Miscellaneous Servicing Policy Changes

Fannie Mae is updating its policy for documenting a military indulgence. The use of the *Request for Military Indulgence (Form 180)* is now optional. The servicer is permitted to use other sources to document a servicemember's active duty orders (such as a report certifying the active duty status for a servicemember

from the Defense Manpower Data Center, an organization within the Department of Defense) and to use other forms such as the *Uniform Borrower Assistance Form* ([Form 710](#) or equivalent) to document financial and hardship information. Form 180 reflects the minimum level of information the servicer must obtain and store in the mortgage loan servicing file.

Fannie Mae is renaming the *SCRA Disbursement Request Form*. It is now titled the *SCRA Reporting and Disbursement Request Form* (Form 1022). The form and its instructions have been updated and are available on [Fannie Mae's website](#).

As a reminder, the servicer must notify Fannie Mae when it places any mortgage loan under military indulgence, regardless of the type of relief being granted, by sending a completed Form 1022 to [sailors and soldiers@fanniemae.com](mailto:sailors_and_soldiers@fanniemae.com).

Submitting Financial Statements and Reports

Servicing Guide, Part I, Section 303: Financial Statements and Reports

Fannie Mae has revised its reporting instructions to allow lenders and servicers to submit their annual audited financial statements and an executed *Authorization for Verification of Credit and Business References* ([Form 1001](#)) within 90 days after the end of the lender's fiscal year either electronically to audited_financial@fanniemae.com or via hard copy to Fannie Mae's Lender Eligibility and Compliance Unit at the following address:

Fannie Mae
Attn: Lender Eligibility and Compliance Unit
One South Wacker, Suite 1400
Chicago, IL 60606


There are no additional changes to the submission process for the executed PDF copy of Form 1001.

Mortgage Loan Modification Monthly Principal and Interest Payment Requirements

Servicing Guide, Part VII, Section 602.02.05: Conventional Mortgage Loan Modification Terms; Section 602.02.08: Reclassification or Removal of MBS Mortgage Loans Prior to Effective Date of the Mortgage Loan Modification; Servicing Guide Announcements SVC-2014-05: Fannie Mae Standard Modification and Streamlined Modification Updates; SVC-2013-16: Updates to Assistance in Disasters; and SVC-2013-05: Streamlined Modifications, Conventional Mortgage Loan Modifications, and Outbound Communications

Fannie Mae non-HAMP modifications of current mortgage loans meeting all required modification eligibility as stated in the *Servicing Guide* must result in a monthly principal and interest (P&I) mortgage payment that is less than the borrower's current contractual monthly P&I mortgage payment. The Trial Period Plan for such mortgage loans must consist of four consecutive monthly P&I payments, each of which is less than the borrower's current contractual monthly P&I payment.

For mortgage loans that are delinquent at the time of evaluation, the policy relating to the P&I payment calculation remains unchanged.



Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Announcement.

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