Servicing Guide Announcement SVC-2015-07

May 20, 2015

Servicing Guide Updates

The Servicing Guide has been updated to include the following:

- Changes to Requirements for Performing Property Inspections on Abandoned Properties
- Updates to MI Premium Expense Reimbursement Policy
- Updates to the Investor Reporting Manual
- Miscellaneous Revisions
- Updates to LL-2014-06: Advance Notice of Future Changes to Investor Reporting Requirements

Each of these updates is described below. The servicer must review each topic in the Servicing Guide in its entirety to gain a full understanding of the policy change(s).

Property Inspections on Abandoned Properties

Servicing Guide D2-2-11, Requirements for Performing Property Inspections has been updated to require the servicer to perform an interior inspection every 30 days until the foreclosure sale date once it has confirmed the property is abandoned.

Effective Date

The servicer is encouraged to implement this change immediately, but must do so no later than July 1, 2015.

MI Premium Reimbursement

Servicing Guide F-1-06, Expense Reimbursement has been updated to authorize the servicer to request reimbursement for borrower-paid mortgage insurance premium expenses paid after the date of default through liquidation.

Effective Date

The servicer is encouraged to implement this change immediately, but must do so no later than August 1, 2015.

Investor Reporting

Fannie Mae’s Investor Reporting Manual 4-02, Calculations Related to Principal Payments has been updated to correct the calculation for scheduled UPB when the mortgage loan is prepaid two or more months to indicate the use of “adjusted UPB” instead of “actual UPB.”
**Effective Date**

The servicer is encouraged to implement this policy change immediately, but must do so no later than August 1, 2015.

**Miscellaneous Revisions**

The Servicing Guide has been revised as follows:


**Updated Servicing Guide Topics**

- Servicing Guide C-1.2-01, Processing Additional Principal Payments
- Servicing Guide D2-3.1-05, Interacting with Housing Finance Agencies and Hardest-Hit Fund Programs
- Servicing Guide E-3.2-08, Processing Reinstatements During Foreclosure
- Updated Servicing Guide F-1-33, Reporting a Workout Option via HomeSaver Solutions Network to remove the Comment Codes that must currently be provided in the General Comment section when reporting a Fannie Mae Short Sale or a Fannie Mae Mortgage Release via HSSN. Instead, a field has been added in HSSN for the servicer to select the applicable Comment Code.
- Revised Fannie Mae’s Workout Hierarchy to reflect that a Fannie Mae Streamlined Modification may be available when the mortgage loan was previously modified into a mortgage loan with a step-rate feature and the mortgage loan is 60 days or more delinquent. Fannie Mae’s Workout Hierarchy, which was previously located on the Servicing Guide Exhibits page on Fannie Mae’s website, is now located in Servicing Guide F-2-12, Fannie Mae’s Workout Hierarchy.

**Updates to LL-2014-06: Advance Notice of Future Changes to Investor Reporting Requirements**

Fannie Mae is notifying the servicer of updates to LL-2014-06 as follows:

- Specifying an effective date for the policy changes described in Lender Letter LL-2014-06. The servicer must implement the policy changes when reporting mortgage loan activity that occurs on or after February 1, 2017.
- Changing the reporting time for all remittance types for both removal and non-removal transactions from 5 p.m. eastern time to 8 p.m. eastern time.
- Clarifying that changes to the monthly investor reporting requirements will impact the loan activity report (LAR) format and data elements.

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The servicer should contact its Servicing Consultant, Portfolio Manager, or Fannie Mae’s Credit Portfolio Management’s Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Announcement.

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