

Servicing Guide Announcement SVC-2016-02

March 9, 2016

Servicing Guide Updates

The *Servicing Guide* has been updated to include the following:

- Updates to HAMP Incentive Payments
- Semi-Annual Update to Foreclosure Time Frames
- Future Changes to Fannie Mae's Contact Information

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).

Updates to HAMP Incentive Payments

To clarify how servicers must apply HAMP "pay for performance" incentives, the following has been added to the *Servicing Guide* for delinquent mortgage loans:

- An instruction within the section related to processing unscheduled mortgage loan payments that if an additional principal payment is a HAMP "pay for performance" incentive, the servicer must process it in accordance with the *Servicing Guide* chapter related to an incentive compensation for a HAMP modification.
- An instruction that a "pay for performance" incentive must only be applied to the interest-bearing or deferred, if applicable, UPB.

Additionally, the *Servicing Guide* has been updated to

- Add, in connection with the servicer's requirement to offer a re-amortization of the UPB for a mortgage loan with a Fannie Mae HAMP modification, an authorization that the servicer does not have to send a notification of the option to re-amortize the UPB if at the time the servicer sends its notifications the borrower is not eligible to receive such incentive.
- Add a requirement that the servicer must comply with Treasury's policy clarifications for executing the [Form 720](#) or Treasury's "Dodd Frank Certification," collecting documentation, and reporting to Treasury in situations where there have been changes involving borrowers under the original Fannie Mae HAMP permanent modification, including when a borrower has died or quit claimed the property or there has been a qualifying assumption.

Updated Servicing Guide Topics

- *Servicing Guide* [C-1.2-01, Processing Additional Principal Payments](#)
- *Servicing Guide* [D2-3.2-07, Fannie Mae HAMP Modification](#)
- *Servicing Guide* [F-1-29, Processing a Workout Incentive Fee](#)

Effective Date

This policy change is effective immediately.

Semi-Annual Foreclosure Time Frames Update

Updates to Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit

As required under the direction of FHFA in April 28, 2011, the [Foreclosure Time Frames and Compensatory Fee Allowable Delays Exhibit](#) has been updated to reflect the maximum number of allowable days within which routine foreclosure proceedings are to be completed.

The maximum number of allowable days has increased for the following jurisdictions: District of Columbia, Massachusetts, Maine, New Jersey, New York City, and New York. Time frame increases will be effective for foreclosure sales occurring on or after March 1, 2016.

The maximum number of allowable days has decreased for the following jurisdictions: Alaska, Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Iowa, Idaho, Illinois, Indiana, Kentucky, Maryland, Michigan, Montana, North Carolina, New Hampshire, New Mexico, Nevada, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Vermont, Washington, and Wisconsin. Time frame decreases will only be applicable to mortgage loans with a last paid installment due date on or after October 1, 2015.

All other state foreclosure time frames will remain unchanged at this time.

Elimination of State-Specific Compensatory Fee Suspensions

As a result of the semi-annual review of foreclosure time frames, *Servicing Guide* [A1-4.2-02, Compensatory Fees for Delays in the Liquidation Process](#), has been updated to remove the suspension of compensatory fee assessment in District of Columbia, Massachusetts, New Jersey, and New York (including New York City).

Fannie Mae will use the following update state foreclosure time frames in its assessment of compensatory fees for foreclosure sales that occurred in these jurisdictions between January 1, 2015 and February 29, 2016 (the suspension period):

- District of Columbia: 1350 days
- Massachusetts: 1080 days
- New Jersey: 1170 days
- New York: 1140 days
- New York City: 1230 days

As part of the February 2016 billing period, which will be invoiced in May 2016, Fannie Mae will provide the servicer with a supplemental bill for the compensatory fee amounts accrued during the suspension period. As a reminder, Fannie Mae issues compensatory fee billings when the aggregate amount of monthly compensatory fees exceeds the minimum threshold of \$25,000. The servicer will have 60 days from the receipt of the invoice to appeal the supplemental billing, following the standard process provided in *Servicing Guide* [A1-4.2-02, Compensatory Fees for Delays in the Liquidation Process](#).

Fannie Mae will resume the normal assessment and billing of state foreclosure time frame compensatory fees in these jurisdictions for foreclosure sales occurring on or after March 1, 2016.

Updates to Compensatory Fee Calculation Examples

Servicing Guide [F-2-04, Compensatory Fee Calculation Examples](#), has been revised to update an example of a compensatory fee calculation based on the decrease in the allowable foreclosure time frame. The servicer must refer to this example for future use.



Future Changes to Fannie Mae's Contact Information

Fannie Mae is continuously looking for ways to improve the customer experience and make it easier for the servicer to do business with us. To make it as simple as possible to contact us -- just call 1-800-2FANNIE (1-800-232-6643) starting March 14, 2016. The new, simplified system will replace multiple phone numbers, including the Customer Contact Center, Servicer Support Center, Investor Reporting, Fannie Mae Regional Offices, and more. **Note:** The Capital Markets Pricing and Sales Desk will continue to be reached at 1-800-752-0257.

Effective Date

The servicer may start using 1-800-2FANNIE on March 14. Current telephone numbers will remain available for a period of time following the March launch.

The servicer may 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) or 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

Malloy Evans
Vice President
Credit Portfolio Management