



Servicing Guide Announcement SVC-2017-02

February 15, 2017

Servicing Guide Updates

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

- Elimination of Certain Servicing Requirements for Acquired Properties*
- Elimination of Transaction Type 80 Reporting Requirements*
- Flexible Use of IRS Form 4506-T or 4506T-EZ for Workout Options*
- Maintaining Seller/Servicer Eligibility
- Confidentiality of Information and Data Breach
- Miscellaneous Revision

* Policy change not applicable to reverse mortgage loans.

Several of these updates described below help to simplify servicing. Servicers must review each topic in the *Servicing Guide* in its entirety to gain a full understanding of the policy change(s).

Elimination of Certain Servicing Requirements for Acquired Properties

Fannie Mae continues to review its policies in order to relieve servicers of the burden of post-foreclosure sale responsibilities, where possible. After testing the elimination of post-foreclosure sale responsibilities in several states, *Servicing Guide* [E-4.3-01, Managing the Property Post-Foreclosure Sale](#) has been updated to eliminate the requirement for servicers to pay homeowner's association, condominium association, or co-op corporation fees and assessments for all acquired properties in all states. This change will reduce servicers' costs and operational risk.

Effective Date

This policy change is effective immediately for all mortgage loans with a foreclosure sale date or Mortgage Release™ date occurring on or after April 1, 2017.

Elimination of Transaction Type 80 Reporting Requirements

To simplify our servicing requirements and ensure data integrity regarding the existence of a subservicing arrangement, you are no longer required to report Transaction Type 80 to denote subservicing arrangements. We will now update our records using information obtained from the Data Access Authorization ([Form 101](#)), reference to which has been incorporated into *Servicing Guide* [A2-1-06, Subservicing](#). This will eliminate an added responsibility for servicers while improving the accuracy of subservicing data for both servicers and Fannie Mae.

Also, 2-06, Reporting a Transaction Type 80 (Subservicer Arrangement Record) has been deleted from the [Investor Reporting Manual](#).

Effective Date

Servicers are encouraged to implement this policy change immediately; but must implement the change by April 1, 2017.

Flexible Use of IRS Form 4506-T or 4506T-EZ for Workout Options

For the purposes of evaluating a borrower for a workout solution, Fannie Mae will no longer require servicers to include the IRS Form 4506-T or 4506T-EZ in each Borrower Solicitation Package or collect it as part of every complete



Borrower Response Package. Servicers are authorized to edit the Uniform Borrower Assistance Form ([Form 710](#)) to inform the borrower that a signed IRS Form 4506-T or 4506T-EZ is not required except in the following circumstances:

- if the borrower is eligible for a Fannie Mae HAMP modification (or Fannie Mae HAMP Trial Period Plan);
- to reconcile inconsistencies between other information the borrower provides in the [Form 710](#) and the income documentation;
- when the borrower has income that is required to be documented by the borrower's tax return but the borrower has not provided his or her tax return, complete with all schedules; or
- at Fannie Mae's request.

These changes reduce the documentation that servicers are required to collect from borrowers avoiding unnecessary delays in offering assistance to struggling homeowners and helping to reduce costs.

The following *Servicing Guide* topics have been updated to reflect these changes:

- [D2-2-04, Sending a Borrower a Solicitation Package for a Workout Option](#)
- [D2-2-05, Receiving a Borrower Response Package](#)
- [D2-3.2-05, Fannie Mae Standard Modification](#)
- [F-1-15, Preparing to Implement a Workout Option](#)

Effective Date

These policy changes are effective immediately.

Maintaining Seller/Servicer Eligibility

In an effort to allow Fannie Mae some discretion with regard to the enforcement of breaches of the Lender Contract, we have updated the policy to

- remove the explicit criteria defining what constitutes a breach of the Lender Contract, though we will continue to provide guidance as to what type of situations could result in a breach of the Lender Contract; and
- remove the breach event related to outstanding repurchase requests.

We also made the following changes:

- clarified that part of the minimum net worth calculation is based only on one- to four-unit residential mortgage loans for which the seller/servicer is contractually obligated to service for the owner of the mortgage loan,
- clarified the requirements for maintaining minimum acceptable levels of capital, and
- added flexibility for determining if a seller/servicer will be permitted to take on credit recourse obligations.

The *Selling Guide* was updated with these policy changes on January 31, 2017. To avoid having duplicate content in both the *Selling* and *Servicing Guides*, the *Servicing Guide* has been updated to remove the details of these policies and provide references to the applicable content in the *Selling Guide*. Going forward, you must refer to the *Selling Guide* for the applicable policies.

The following *Servicing Guide* topics have been updated to reflect these changes:

- [Subpart A3, Maintaining Fannie Mae Seller/Servicer Status](#)
- [A1-1-02, Application and Approval of Seller/Servicer](#)
- [A1-4.2-01, Compensatory Fees Other Than Delays in the Liquidation Process](#)
- [A2-1-08, Compliance with Requirements and Laws](#)



- [F-4-03, List of Contacts](#)

Effective Date

These policy changes are effective immediately.

Confidentiality of Information and Data Breach

In an effort to enhance the protection of confidential information and reduce the need for stand-alone non-disclosure agreements, we have updated the policy to clarify existing requirements and add additional requirements. These updates include

- clearly defining “Confidential Information”, and
- more detailed requirements with respect to servicers’ handling of Fannie Mae confidential information.

The *Selling Guide* was updated with these policy changes on January 31, 2017. The *Servicing Guide* has been updated to provide a reference to the applicable topic in the *Selling Guide*. The *Servicing Guide* has been updated to require servicers to notify Fannie Mae of any intentional unauthorized access of borrower NPI within 72 hours. Additionally, in an effort to simplify and streamline the process for reporting data breaches to Fannie Mae, servicers must now

- report all incidents to Fannie Mae’s Privacy Office, and
- include a detailed description of the scope of the incident, including the number of impacted individuals and states where they reside.

The following *Servicing Guide* topics have been updated to reflect these changes:

- [A2-1-08, Compliance with Requirements and Laws](#)
- [A1-3-03, Repurchase Obligations Related to Bifurcated Mortgage Loans](#)

Effective Date

Servicers are encouraged to implement these policy changes immediately, but must implement these changes no later than April 1, 2017.

Miscellaneous Revision

Servicing Guide [F-4-03, List of Contacts](#) has been updated to replace the email address used to report suspicious activity related to Fannie Mae mortgage loans or business activity with the Suspected Mortgage Fraud Report found here <https://fims.secure.force.com/MortgageFraudReport/>.

Contact your Servicing Consultant, Portfolio Manager, or Fannie Mae’s Single-Family Servicing, Servicer Support Center at 1-800-2FANNIE (1-800-232-6643) with any questions regarding this Announcement.

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