



Servicing Guide Announcement SVC-2018-05

August 15, 2018

Servicing Guide Updates

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

- Mortgage Insurance Claims Process*
- Servicer Responsibilities for Urgent Property Conditions*
- Insured Loss Repair Inspection Reimbursement
- Notification of Law Firm Matter Transfers
- Miscellaneous Revisions

*Policy change not applicable to reverse mortgage loans.

Mortgage Insurance Claims Process

We are making changes to the mortgage insurance (MI) claims process by partnering with certain mortgage insurers to streamline MI claims processing, and reduce the operational burden and cost associated with the process for servicers. Participating mortgage insurers will now process all submitted claims using an algorithm, known as the MI Factor, to estimate expenses. Servicers will submit claims in accordance with the MI policy, as is the current requirement. The explanation of benefits documentation for claims settled using MI Factor will indicate that the claim was paid using the algorithm, and for claims settled in this fashion, servicers will no longer be required to submit supplemental claim submissions and claim appeals to the mortgage insurer. Additionally, we are discontinuing the curtailment billing process for all claims settled using the MI Factor.

Claims settled with mortgage insurers not participating in the MI Factor process will continue to require supplemental claims. Additionally, claim appeals will continue to be required as needed, and Fannie Mae's curtailment billing process will continue.

Effective Date

These procedural changes will be effective for claims filed on or after October 1, 2018.

Servicer Responsibilities for Urgent Property Conditions

This update clarifies the servicer's responsibilities for addressing urgent property conditions when the borrower refuses to make emergency repairs. We have updated [D2-2-10, Requirements for Performing Property Inspections](#), with these changes.

Also, the [Property Preservation Matrix and Reference Guide](#) has been updated to provide servicers with more specific and detailed procedures for inspecting and preserving properties that have been impacted by a disaster event. Miscellaneous updates have been included as well to provide clearer guidance for inspecting and preserving properties.

Effective Date

These policy changes and clarifications are effective immediately.



Insured Loss Repair Inspection Reimbursement

We recently issued [Lender Letter LL-2018-04, Disaster Policy Reminders and Updates](#), reminding servicers of our policy for reimbursing required insured loss repair inspections and updating the maximum reimbursement limit from \$30 to \$60 per inspection. We have updated [F-1-05, Expense Reimbursement](#), to reflect this change.

Effective Date

The new expense reimbursement limit applies to any insured loss repair inspection required and completed on or after July 18, 2018. Servicers may begin submitting requests for expense reimbursement for eligible inspection costs in the amount of up to \$60 on September 15, 2018.

Notification of Law Firm Matter Transfers

Currently, we require servicers to notify us no later than five business days after an aggregate of 30 or more default-related matters have been transferred from a law firm in the same state within the past six months. While most servicers already provide us with advance notice, we have updated the *Guide* to require that servicers provide notice to us at least five business days prior to transferring any default-related matter that results in an aggregate of 30 or more transfers within a six-month period from a single law firm to another law firm in the same state.

Updated *Servicing Guide* Topics

- [A4-2.2-04, Law Firm Suspensions, Matter Transfers, and Terminations](#)
- [E-1.1-01, General Requirements for Referring a Mortgage Loan to a Law Firm](#)

Effective Date

Servicers are encouraged to implement this policy change immediately, but must implement this change by October 1, 2018.

Miscellaneous Revisions

Updates to Form 629. In an effort to streamline the processes related to Post-Delivery Servicing Transfers, the *Request for Approval of Servicing or Subservicing Transfer* ([Form 629](#)) has been updated to require the name(s) of the document custodian(s) for each mortgage loan included in the transfer.

Reimbursement for Property Inspections. We previously communicated in [Lender Letter LL-2017-07, Reimbursement for Property Inspections and Additional Servicing-Related Reminders](#) that we would continue to reimburse servicers for disaster inspections when needed to confirm property damage in the event of a disaster. We have updated [D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower](#) and [F-1-05, Expense Reimbursement](#), to reflect these changes.

[A4-1-03, Addressing Borrower Inquiries and Disputes](#). We corrected the Fannie Mae phone number a servicer provides to a borrower when inquiring about the ownership of his or her mortgage loan.

Effective Date

The policy changes described in this section are effective immediately.

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

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