Servicing Guide Announcement SVC-2019-03

Servicing Guide Updates

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

- Mortgage Insurance (MI) Termination Solicitations*
- Document Custodian Updates
- Miscellaneous Revisions

*Policy change not applicable to reverse mortgage loans.

Mortgage Insurance (MI) Termination Solicitations

In response to servicer feedback, we are clarifying Servicing Guide B-8.1-04, Termination of Conventional Mortgage Insurance to indicate that a servicer is authorized to solicit a borrower for MI termination based on original value only.

Effective Date

This policy clarification is effective immediately.

Document Custodian Updates

We have updated our Selling and Servicing Guides to remove all references to Fannie Mae’s designated document custodian (DDC); now, all Fannie Mae-approved custodians are equipped to certify all mortgage loan types. Each custodian arrangement must be evidenced by the execution of a Master Custodial Agreement (Form 2017) in accordance with Selling Guide A3-3-04, Document Custodians. Various topics have been updated in the Servicing Guide to reflect one, consolidated procedure where there were previously different instructions for our DDC versus a third-party document custodian.

Effective Date

Servicers must document each custodian arrangement through the execution of a Master Custodial Agreement (Form 2017) by September 30, 2019.

Miscellaneous Revisions

Eliminations and Rescissions of Foreclosure Sales Process Update. We have updated the Servicing Guide to reflect that servicers must access the Eliminations/Rescissions Daily Report on Fannie Mae Connect. We will no longer send the report to servicers via email.

In addition, while the process to submit a request for elimination and/or a rescission remains the same, the Elimination/Rescission Request Template has been updated to require the 9-digit Seller/Servicer ID number for each mortgage loan.

Updated Servicing Guide Topics

- E-4.1-02, Eliminations and Rescissions of Foreclosure Sales
- F-4-01, References to Fannie Mae's Website
Effective Date

The use of Fannie Mae Connect for the Elimination/Rescissions Daily Report is effective immediately. However, servicers may contact elimination_questions@fanniemae.com if there are questions about this report.

Reimbursement of Recording Costs in Connection with Charge-Offs**. In response to inquiries from our customers, we are updating the Servicing Guide to clarify that we will reimburse servicers for the cost to record a required release of lien in the real property records in connection with an approved mortgage loan charge-off.

Updated Servicing Guide Topics

- C-1.2-04, Satisfying the Mortgage Loan and Releasing the Lien
- C-1.2-05, Charging for a Release of Lien
- D1-1-02, Evaluating a First Lien Mortgage Loan for Charge-Off and Release of Lien
- F-1-05, Expense Reimbursement
- F-1-25, Requesting Fannie Mae’s Approval via Fannie Mae’s Servicing Solutions System
- F-4-01, List of Contacts

Effective Date

This policy clarification is effective for applicable recording costs that servicers incur on or after May 15, 2019.

**Policy change also applies to Home Keeper™ mortgage loans but is not applicable to Home Equity Conversion Mortgage (HECM) loans.

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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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