



From the Desk of Carlos Perez
Chief Credit Officer for Single-Family

August 16, 2017

Executive Overview of *Servicing Guide* Updates

Starting this month, I'll provide an executive overview of *Servicing Guide* updates to highlight how we're Simplifying Servicing and providing a better experience for you. Below is a summary of our August 2017 updates:

- **Streamlined content in the *Selling* and *Servicing Guides*.** In our continuing effort to simplify the *Selling* and *Servicing Guides*, we have removed several topics from *Servicing Guide* Part A, Doing Business with Fannie Mae. These topics, which include general contract terms, indemnification provisions, and Fannie Mae trade names and trademarks, have been updated and will be included only in the *Selling Guide* starting Aug. 29, 2017.
- **Aligned fidelity bond and errors and omissions insurance with current risk management practices.** We've updated our fidelity bond and errors and omissions insurance to clarify our policies and align them with current market conditions. Fannie Mae seller/servicers must implement the changes by Oct. 1, 2018.
- **Revised ARM margin calculations (whole loans only).** We're changing the way servicers calculate the pass-through rate on adjustable-rate mortgage (ARM) rate resets. Under a previously announced selling policy, lenders will commit ARMs using the gross mortgage margin on the security instrument instead of the net margin. This update will apply to ARM whole loan commitments delivered to us on or after September 11, 2017, and will affect ARM loan servicing when the loans are subject to their first rate resets.

See [Announcement SVC-2017-07](#) for details.

I appreciate your feedback and look forward to working with you in the future!

A handwritten signature in black ink that reads "Carlos Perez".

Carlos Perez