Self-Assessment: Mortgage Servicer COVID-19 Response

To help our mortgage servicers weather market fluctuations, Fannie Mae provides guidelines designed to enable business continuity, efficient operations, and prudent risk management.

In mid-March 2020, servicers began seeing a sharp increase in the number of borrowers facing financial hardships due to COVID-19. Suddenly, the housing market was relying on servicers more than ever, and their ability to respond depended a great deal on their business preparedness for disruption and their rigor in following Fannie Mae guidelines.

This self-assessment is provided to help Fannie Mae servicers evaluate whether their COVID-19 response is in compliance with their contractual obligations as described in their Lender Contract and the Fannie Mae Selling and Servicing Guides as well as with recommended practices. Covered topics include both Fannie Mae requirements and recommended practices for managing a servicing book of business to successfully navigate market disruptions, such as COVID-19.

All tasks are recommended. Highlighted tasks, indicated with an orange icon (🥝), are required.

Company Readiness

Implement and maintain adequate Business Continuity and Disaster Recovery procedures as required by the Selling Guide A4-1-01, Maintaining Seller/Servicer Eligibility to ensure:

- Minimal interruption to daily operations
- Sufficient staffing at all times, which may be assured by temporary measures, such as changes to operation or staff hours, worker remote access, reconfiguring office space, authorizing overtime to cover for absences, hiring, and/or training

Provide the required oversight of subservicers and third-party vendors (as applicable) to:

- Confirm they are maintaining operations
- Verify that vendor partners performing core mortgage servicing functions are continuing operations within established service-level agreements, including but not limited to customer-facing activities
- Check technology partners’ system capacity and preparedness

Servicing Operations

Borrower Response and Outreach

Conduct proactive outreach via outbound calls, mail, email, or text to offer payment assistance solutions for COVID-19 impacted borrowers, with supporting resources in place:

- Employees have quick access to internal resources to assist impacted borrowers
- Refer borrowers to www.knowyouroptions.com for more information
- Refer borrowers to the Fannie Mae Disaster Response Network at 1-877-542-9723 to talk to a trained financial counselor to create a workable budget

Please note:

This content is informational and designed to help Fannie Mae servicers assess their operational response to COVID-19 requirements. Servicers are reminded that they are responsible for complying with all aspects of the Lender Contract, including Fannie Mae’s Selling and Servicing Guides. In the event of any conflict between this content and the Guides, the Guides govern.

Additional Resources

Servicer Self-Assessment

Lender Letter LL-2020-02, Impact of COVID-19 on Servicing

Servicers and Business Continuity

Fannie Mae Selling Guide

Fannie Mae Servicing Guide

Ask Poli

Looking for more? Contact your Fannie Mae account team or contact the Servicer Support Center.
Actively manage call volumes by:
- Using and/or implementing automated and self-service options via Interactive Voice Response (IVR) and/or customer portal
- Using and/or creating digital-user channels (e.g., online borrower portal, mobile apps, text messages, live chat) to build on agent efficiency and customer education of options
- Frequent monitoring of call center reporting and resource allocation, adjusting as needed to address call demand

Use special borrower outreach campaigns to:
- Ensure that outbound contact campaigns on approved and active forbearance plans begin no later than 30 days prior to the end of the forbearance period to determine extensions needed or next steps to resolution
  - Target forbearance customers by geographical region (optional) for employment status updates based upon post-pandemic reopening plans

Processes and Resources
Designate subject-matter experts, stakeholders, and decision makers, and actively monitor Fannie Mae’s COVID-19 temporary guidance (see LL-2020-02 and LL-2020-07) to ensure:
- **System changes and/or manual reviews/overrides are implemented, as necessary, to meet temporary requirements**
  - Training and scripting changes for all impacted business areas
  - Website is updated with complete, consistent, clear, and time-stamped information regarding forbearance assistance

Update training materials and call scripts with the temporary changes offered in LL-2020-02, including:
- Educating borrowers to actively participate during forbearance plans, which should include ability to pay partial amounts (or monthly escrow amount) to reduce total delinquency or escrow shortages
- Assuring and educating borrowers of post-forbearance solutions including retention and liquidation options
- Using the Fannie Mae published COVID-19 Forbearance Script for Servicer Use with Homeowners to ensure each borrower receives the necessary information
- The suspension of foreclosure activities and certain bankruptcy requirements

Reporting
Credit Bureau Reporting
- Accurately report the status of the mortgage loan to the credit bureaus in accordance with the Fair Credit Reporting Act (FCRA), including as amended by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, for borrowers affected by the COVID-19 emergency

Fannie Mae Required Reporting
- Timely and accurately report delinquency status code 09 for every month a forbearance plan is in effect, regardless of delinquency, and reason code 022 for those plans related to COVID-19, to ensure Fannie Mae is aware of every forbearance approved for COVID-19 reasons

Recommended Servicer Internal/Executive Reporting
- Enhance call center trending reporting to include COVID-19
- Provide pipeline and forbearance plan dashboard reporting to identify COVID-19 inquiries, start, end, extensions, and resolutions
- COVID-19 forbearance plan monitoring and reporting includes customer region/geographical location