

Announcement 09-03

February 24, 2009

Amends these Guides: Servicing

Miscellaneous Servicing Policy Changes

Introduction

This Announcement contains several new and updated servicing policies, as itemized below:

- Delinquency Status Reporting to Begin at 30 Days Delinquent
- Establishment of a Standard Reimbursement Date
- New Requirements for a Business Continuity Plan
- No Negotiation of Preforeclosure Sales Commission
- Updated *Property Preservation Matrix and Reference Guide*

Delinquency Status Reporting to Begin at 30 Days Delinquent

Servicing Guide, Part VII, Section 602: Reporting Monthly Mortgage Status

Effective with the May 2009 reporting month, servicers will be required to report the delinquency status code, delinquency status code effective date, and reason for delinquency code for any mortgage loan that is one or more months (30 days or more) past due as of the last day of the preceding month.

Servicers are reminded that beginning with the July 2009 reporting month, the scheduled completion date for forbearances and repayment plans must be reported. Servicers are encouraged to comply with the new delinquency status reporting requirements immediately, if possible.

Establishment of a Standard Reimbursement Date

Servicing Guide, Part X, Section 302: 02: “Scheduled/Scheduled” Remittance Types

Fannie Mae will automatically reimburse the servicer for:

- delinquency advances of principal and interest, and
- reimbursement of unpaid principal balance of special servicing mortgage loans that were acquired by foreclosure.

Reimbursement shall occur on the first business date following the 24th day of the same month that the servicer

- remits the funds required to remove the mortgage loan from Fannie Mae's active accounting records or a special servicing option MBS pool, and
- reports the applicable removal action code to Fannie Mae's investor accounting system, provided that the removal action does not generate an exception.

This change is effective with the date of this Announcement.

New Requirements for a Business Continuity Plan

Servicing Guide, Part I, Chapter 3: Maintaining Eligibility

Lenders and servicers must implement and maintain a viable business continuity plan that ensures the lenders' or servicers' ability to regain critical business operations in the event of a disaster, or an unforeseen disturbance that would otherwise hinder the company's ability to do business.

The business continuity plan should ensure that the lender or servicer has adequate facilities and staff to continue operations in the event of a business disruption or disaster; has a data recovery plan in place that maintains and will restore critical electronic data and systems in the event of a business disruption or disaster; and ensures that the lenders' or servicers' affiliates and third-party vendors have business continuity plans as well. The plan should be comprehensive, written, and accessible to critical staff in addition to periodically being tested and updated.

No Negotiation of Preforeclosure Sales Commission

Servicing Guide, Part VII, Section 504.02: Contacting Selected Borrowers

Effective March 1, 2009, closing of preforeclosure sales may not be conditioned upon a reduction of the total commission to be paid to real estate agents to a level below what was negotiated by the listing agent with the borrower, unless the fee exceeds 6 percent of the sales price of the property in aggregate. Servicers are reminded that they must continue to obtain any approvals that may be required by interested third parties in connection with preforeclosure sales.

Updated *Property Preservation Matrix and Reference Guide*

Servicing Guide, Part VIII, Section 106: Property Maintenance and Management

The Property Preservation Matrix has been updated and expanded upon. It is included in the *Property Preservation Matrix and Reference Guide*, which is available on eFannieMae.com. The cost limits outlined in the Matrix are effective March 1, 2009. Servicers should refer to the Matrix for pre-approved allowable reimbursement amounts for property preservation work (e.g.,

securing the property, lawn maintenance). The Property Maintenance & Management Reference Guide, which includes the Lawn Service Schedule, has been created to provide additional detail for assistance with submitting preservation requests.

When the cost of the contemplated preservation work exceeds the allowable amounts, the *Fannie Mae Property Preservation Request for Repair* ([Form 1095](#)) should be completed and submitted with supporting photographic documentation to: property_preservation@fanniemae.com. All other pertinent supporting information and documentation that will assist Fannie Mae in making a sound property preservation decision should be attached to the email request (e.g., copies of city notices of violation or citations). Questions about this process may be submitted to the preceding email box.

Servicers should contact Fannie Mae's Servicer Support Center at 1-888-FANNIE5 (888-326-6435) if they have questions about Announcement 09-03.

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