

MPF Announcement:

2021-54

Date:

July 22, 2021

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Direct

MPF Government MBS

MPF Traditional

MPF Xtra[®]**Effective Date:**

Immediately (unless otherwise noted)

Impact of COVID-19 on MPF Xtra Servicing

Fannie Mae issued updates to the COVID-19 Servicing Lender Letters, communicating updates to temporary policies previously announced. The policies in the Lender Letters are effective immediately and are effective until Fannie Mae provides further notice, unless otherwise stated.

Reference

[Fannie Mae Lender Letter LL-2021-02](#)

[Fannie Mae Lender Letter LL-2021-07](#)

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

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Updates to [Fannie Mae Lender Letter LL-2021-02](#) - Impact of COVID-19 on Servicing

- Extended the suspension of foreclosure-related activities through July 31, 2021. During the period of the extension, PFIs may not, except with respect to a vacant or abandoned property, initiate any judicial or non-judicial foreclosure process, move for a foreclosure judgment or order of sale, or execute a foreclosure sale.

Updates to [Fannie Mae Lender Letter LL-2021-07](#) (formerly LL-2020-07) - COVID-19 Payment Deferral

- Borrowers who have experienced a hardship related to COVID-19 and who are not capable of maintaining their current contractual monthly PITI payment must be evaluated for a Fannie Mae Flex Modification in accordance with the reduced eligibility criteria as described in this Lender Letter. In an effort to provide an interest rate reduction to these borrowers regardless of the mortgage loan's MTMLTV, Fannie Mae is removing the post-modification MTMLTV threshold related to setting the modification interest rate when determining the new modified terms for a Fannie Mae Flex Modification that satisfies the reduced eligibility criteria. PFIs are encouraged to implement this policy change immediately, but must implement it no later than Aug. 31, 2021.

To gain a full understanding of these topics, Servicers should review the entire Fannie Mae Lender Letter plus any applicable Fannie Mae Servicing Guide chapters, forms, or exhibits noted in the announcement.