

**MPF Announcement:**

2021-66

**Date:**

October 5, 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<sup>®</sup>**

**Effective Date:**

**Immediately** (unless otherwise noted)

**Reference**

[Fannie Mae Servicing Announcement SVC-2021-05](#)

[Fannie Mae Servicing Announcement SVC-2021-06](#)

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

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

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## MPF Xtra Servicing Guide Updates

Fannie Mae published several servicing updates all issued respectively, which cover the below referenced topics that are applicable to mortgage loans serviced under the MPF Xtra product:

**Fannie Mae Servicing Announcement SVC-2021-05:**

- Extended the mandatory effective date of the IRS reporting changes that were previously announced in SVC-2021-03, which clarified Servicer's responsibilities for filing IRS Forms 1099-A and 1099-C. *Effective date: Servicers must now implement these policy changes by January 1, 2022.*

**Fannie Mae Servicing Announcement SVC-2021-06:**

- Removed the requirement to conduct the final interior property inspection for a Mortgage Release. *Effective date: Servicers are encouraged to implement this policy change immediately but must implement this change by December 1, 2021.*

As a reminder, where the Fannie Mae Servicing Guide directs communication to Fannie Mae or to utilize systems that are only available to Fannie Mae Seller/Servicers, Servicers must contact the MPF Provider. Servicers should not communicate with Fannie Mae directly.

Other topics mentioned in the Fannie Mae announcement do not apply to MPF Xtra. To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Announcement and any applicable Fannie Mae Servicing Guide chapters, forms, or exhibits noted in the announcements.



# Servicing Announcement (SVC-2021-05)

Aug. 11, 2021

This Announcement includes updates to the following :

- [Investor Reporting Manual](#)\*: incorporates changes previously communicated regarding payment deferral gross servicing fee and guaranty fee reimbursement, and foreclosure P&I advance reimbursement.
- [IRS Reporting](#): extends the mandatory effective date of the IRS reporting changes that were previously announced.

View the list of [impacted topics](#).

\*Policy change not applicable to reverse mortgage loans.

## Investor Reporting Manual

The following changes communicated in [LL-2021-12](#), Advance Notice of Changes to Investor Reporting Processes and Systems have been incorporated into the [Investor Reporting Manual](#):

- the reimbursement process for applicable servicing fees, guaranty fees, and excess servicing fees for mortgage loans with a completed payment deferral, COVID-19 payment deferral, or disaster payment deferral when the mortgage loan matures or is paid off; and
- elimination of the requirement for servicers to advance payment of outstanding scheduled UPB upon completion of the foreclosure for certain scheduled/scheduled remittance type mortgage loans.

**Effective:** These changes are effective with the September 2021 mortgage loan activity reporting.

## IRS Reporting

We previously announced changes to our IRS reporting requirements in [Announcement SVC-2021-03](#). We clarified the servicer's responsibilities for filing IRS Forms 1099-A and 1099-C on our behalf to reflect that the servicer must

- use its own address and loan number instead of Fannie Mae's address, loan number and its Fannie Mae nine-digit identification number; and
- continue to include Fannie Mae's name and federal tax identification number.

We have since received feedback that the policy effective date would not allow servicers and their technology partners enough time to make necessary changes. Therefore, we are updating the effective date of the changes to Jan. 1, 2022.

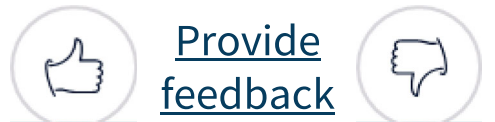
**Effective:** Servicers must now implement these policy changes by Jan. 1, 2022.

See the *Servicing Guide* for details about these updates.

Servicers who have questions about this Announcement should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643). Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



**Let your voice be heard!** We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Announcement.



## Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated Aug. 11, 2021)
<b>Investor Reporting Manual</b>	<ul style="list-style-type: none"><li>▪ <a href="#"><u>Investor Reporting Manual</u></a><ul style="list-style-type: none"><li>▪ 2-04, Reporting Specific Payment Transactions to Fannie Mae</li><li>▪ 4-02, Reporting a Mortgage Loan After a Payment Deferral</li></ul></li></ul>



# Servicing Guide Announcement (SVC-2021-06)

Sept. 8, 2021

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

- [Form 582 requirements](#): updates seller/servicer requirements related to Form 582, and additional servicer duties and responsibilities for all servicers that service a portfolio size greater than or equal to 20,000 Fannie Mae mortgage loans.
- [Mortgage Release™ inspection requirements\\*](#): removes the requirement to conduct the final interior property inspection for a Mortgage Release.

View the list of [impacted topics](#).

\*Policy change not applicable to reverse mortgage loans.

## Form 582 requirements

In accordance with *Selling Guide* Announcement, [SEL-2021-08](#) servicers are advised that we have updated the *Lender Record Information* (Form 582), and related *Selling Guide* policies to make it clear that we must be notified of certain events, including any actions or events that could have a material adverse effect on

- a seller/servicer's origination or servicing of Fannie Mae mortgage loans,
- the financial condition of the business or operations, or
- the ability to comply with the Lender Contract or requirements of our *Guides*.

As a reminder, each seller/servicer must submit Form 582 electronically when it submits its annual financial statements, no later than 90 days after the end of its fiscal year. We have revised policy to include an additional stipulation that the seller/servicer must submit an updated Form 582 and email the Changes in Lender Organization [mailbox](#) within five business days of any of the occurrence of any of the specified items.

In addition, we are specifying that sellers/servicers must have written procedures that comply with our current policy for disaster recovery and business continuity when the seller, servicer, or any subservicer contracts with a vendor or third-party service (or technology) provider for any critical business functions or services that could affect their ability to comply with the Lender Contract or the requirements of our *Guides*. The seller/servicer must provide a copy of its business continuity procedures upon receipt of a written request from Fannie Mae.

Finally, we have added some additional servicer duties and responsibilities that apply to all servicers (including master servicers and subservicers) that own and/or service a total portfolio size greater than or equal to 20,000 Fannie Mae mortgage loans at any time during a calendar year. To the extent the servicer relies on any third-party technology provider for the performance of critical servicing functions (for example: servicing technology platforms or call center vendors), the servicer must provide:

- not less than 180 days' prior written notice to Fannie Mae of its intent to change such third-party technology provider, together with, upon Fannie Mae's written request, the servicer's transition plan for such change; and
- within five business days after its occurrence, written notice to Fannie Mae of any termination, breach, or impairment of rights by the servicer or the technology provider of or under such contract.

We have made these changes regarding submission of Form 582 so that sellers/servicers will better understand our expectations for when updates are necessary. Sellers/servicers will benefit from more detailed instructions and improvements to business continuity, cross-default provisions, and clearer reporting standards.



**Effective:** The updated Form 582 will be published and available for use on Sept. 10, 2021. Sellers/servicers must comply with all associated policy changes by Oct. 1, 2021.

## Mortgage Release™ inspection requirements

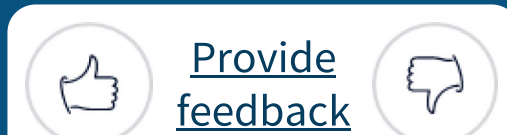
To simplify the servicer's process and support our collateral management strategies, we are removing the requirement that servicers conduct the final interior property inspection following the receipt of the executed deed and all documents related to a Mortgage Release. With this update, servicers will no longer be required to obtain the final interior property inspection report prior to reporting its final acceptance of the Mortgage Release to us through our servicing solutions system.

**Effective:** Servicers are encouraged to implement this policy change immediately, but must implement this change by Dec. 1, 2021.

See the *Servicing Guide* for details about these updates.

Servicers who have questions about this Announcement should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643). Have Guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).

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## Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated Sept. 8, 2021)
<b>Form 582 requirements</b>	<ul style="list-style-type: none"><li>▪ <a href="#">A2-1-01, General Servicer Duties and Responsibilities</a></li><li>▪ <i>Lender Record Information</i> (Form 582)</li></ul>
<b>Mortgage Release inspection requirements</b>	<ul style="list-style-type: none"><li>▪ <a href="#">D2-3.3-02, Fannie Mae Mortgage Release (Deed-in-Lieu of Foreclosure)</a></li><li>▪ <a href="#">F-1-22, Reporting a Workout Option via Fannie Mae's Servicing Solutions System</a></li></ul>