

MPF Announcement

April 17, 2019 2019-23

Alert

Policy Update ■

New Policy ■

Reminder

Clarification ■

Training Information

Audience

Program Management

Origination ■

Quality Control ■

Servicing ■

Underwriting ■

Compliance/Legal

Product

MPF Xtra® ■

MPF® Direct

MPF Government MBS

MPF Traditional

Effective Date:

Immediately

(unless otherwise noted)

MPF Xtra Selling Guide Updates

On April 8, 2019 Fannie Mae issued Lender Letter LL-2019-04 and on April 10, 2019 issued Servicing Guide Announcement SVC-2019-02 respectively, which cover the below referenced topics that are applicable to loans sold under the MPF Xtra product:

REFERENCE

[Fannie Mae Lender Letter LL-2019-04](#)

[Fannie Mae Servicing Guide Announcement SVC-2019-02](#)

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

Follow us on:



Fannie Mae Lender Letter LL-2019-04

- Implemented a 25 basis point (0.250%) loan-level price adjustment (LLPA) for loans secured by second homes with LTV ratios greater than 85%.

Fannie Mae Servicing Announcement SVC-2019-02

- Expanded requirements for the disbursement of insurance loss proceeds.
- Revised requirements for evaluating property damage after a disaster event for current mortgage loans.
- Updated the Allowable Foreclosure Attorney Fee's exhibit – including updates for New Hampshire, Maine, and Washington.

- Clarified servicers requirements for attorney fee proration related to milestone billing.
- Consolidated the shared requirements for sellers and servicers related to the use of Mortgage Electronic Registration Systems (MERS®).
- Updated Single Family Credit Portfolio Management (SF CPM) to handle document execution requests and inquiries related to satisfaction and discharges of paid-off mortgage loans and the Limited Power of Attorney (LPOA).
- Clarified servicer's responsibilities when in applicable jurisdictions, the foreclosure is completed through a process under which title vests FNMA (or the servicer in appropriate cases) by operation of court order and there is no foreclosure sale.
- Updated language in Letter of Authorization for P&I Custodial Account (Form 1013) & Letter of Authorization for T&I Custodial Account (Form 1014) to align with the language for how custodian accounts must be titled.
- Removed all references to Quality Assurance System (QAS) as a part of the transition to Loan Quality Connect (LQC).

To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Announcements on the following pages, and any applicable Fannie Mae Servicing Guide chapters, forms, or exhibits noted in the announcements.

Note

Join Us for an Upcoming MPF® Webinar:

Tuesday, April 23: [Affordable Lending Options under the MPF Xtra® Product](#)



Lender Letter LL-2019-04

April 8, 2019

To: All Fannie Mae Single-Family Sellers Loan Level Price Adjustment for Second Homes

As a result of our periodic review of risk-based pricing, we are implementing a 25 basis point (0.250%) loan-level price adjustment (LLPA) for loans secured by second homes with LTV ratios greater than 85%. This LLPA is in addition to any other price adjustments that are otherwise applicable to the particular transaction. The *Loan-Level Price Adjustment (LLPA) Matrix* has been updated to reflect this change. In addition, the *Selling Guide* will be updated in May to reflect that certain second home transactions are subject to an LLPA.

Effective Date

This LLPA will be applied to whole loans purchased on or after July 1, 2019, and for loans delivered into MBS pools with issue dates on or after July 1, 2019. Note that it is not applicable to DU Refi Plus™ and Refi Plus™ loans.

Lenders who have questions about this Lender Letter should contact their Fannie Mae Account Team.

Carlos T. Perez
Senior Vice President and
Chief Credit Officer for Single-Family



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