

MPF Announcement:

2022-01

Date:

January 18, 2022

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)

MPF Xtra Servicing Guide Updates

Fannie Mae published Servicing Guide Announcement SVC-2021-09 which cover the below referenced topics that are applicable to loans serviced under the MPF Xtra product:

- Consolidated and streamlined property insurance requirements that are shared by the Selling and Servicing Guides.
- Updated various Borrower facing forms, including:
 - Inform the Borrower that mortgage assistance programs may be available;
 - Ensure consistent reference to Borrower resources such as CFPB, HUD, and Fannie Mae's Know Your Options™ website;
 - Clarified the forbearance plan term associated with a Suspended Payment Forbearance Plan Offer; and
 - Reduced the number of loan modification agreements to be executed and returned by the Borrower.

Effective: Servicers are encouraged to begin using these Guide documents immediately, but must do so by Mar. 1, 2022

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

Reference

[Fannie Mae Servicing Announcement SVC-2021-09](#)

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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Servicing Guide Announcement (SVC-2021-09)

Dec. 8, 2021

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

- [Consolidation of Servicing and Selling Guide insurance policies](#)*: incorporates property and additional or optional insurance requirements applicable to both lenders and servicers from the *Servicing Guide* into the *Selling Guide*
- [Updates to borrower-facing Guide documents](#)** : includes updates to various servicing forms and documents
- [Form 2002 retirement](#)*: updates post-delivery servicing transfer requirements and retires *MBS Custodian Recertification* (Form 2002)
- [Subservicer special product approval clarification](#)*: clarifies subservicer eligibility to perform general servicing duties and responsibilities for HomeStyle® Renovation mortgage loans not associated with property renovation
- [Miscellaneous update](#): adds a link in the *Servicing Guide* to the Mortgage Insurance Claims Portal

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

*Policy change not applicable to reverse mortgage loans.

**Part of this policy change applies only to Home Keeper® loans and is not applicable to HECM mortgage loans.

Consolidation of Servicing and Selling Guide insurance policies

In line with our continued efforts to simplify and consolidate policies shared by the *Selling* and *Servicing Guides*, we consolidated and streamlined property insurance requirements applicable to both lenders and servicers from *Servicing Guide* B-2, Property Insurance Requirements and *Servicing Guide* B-4, Additional or Optional Insurance Coverage into the *Selling Guide*. Insurance requirements that are applicable only to a servicer will remain in the *Servicing Guide*. As part of this effort, we resolved unintended discrepancies as follows:

- As indicated in the *Selling Guide*, when a property policy includes coinsurance waived by an agreed amount/agreed value provision, the agreed amount must be no less than the estimated replacement cost.
- Moved property insurance requirements for second lien mortgage loans to the *Servicing Guide*, [B-2-02](#), Property Insurance Requirements for Mortgage Loans Secured by a One- to Four-Unit Property, since we no longer purchase second lien mortgage loans.

Effective: There are no policy changes associated with this consolidation.

Updates to borrower-facing Guide documents

We updated various borrower-facing Guide documents to:

- Remove servicer instructions associated with Hardest Hit Funds since the program has expired;
- Inform the borrower that mortgage assistance programs may be available;
- Ensure consistent reference to borrower resources such as CFPB, HUD, and Fannie Mae's Know Your Options™ website;
- Clarify the forbearance plan term associated with a Suspended Payment Forbearance Plan Offer; and
- Reduce the number of loan modification agreements to be executed and returned by the borrower.

Effective: Servicers are encouraged to begin using these Guide documents immediately, but must do so by Mar. 1, 2022.



Form 2002 retirement

We updated the Guide to remove the requirement that servicers must obtain an *MBS Custodian Recertification* (Form 2002) in connection with a servicing transfer within six months of the transfer date. Form 2002 will be retired with the December *Servicing Guide* update.

Effective: This policy clarification is effective immediately.

Subservicer special product approval clarification

To align requirements to the risks managed respectively by the master servicer and the subservicer, we eliminated the requirement for subservicer approval for servicing HomeStyle Renovation mortgage loans. The HomeStyle-approved lender must be the master servicer and retain responsibilities as outlined in the Guide.

Effective: This policy change is effective immediately and may be implemented at a time of the servicer's choosing.

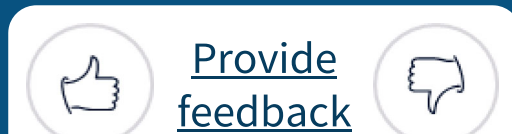
Miscellaneous update

In [SVC-2021-04](#), we communicated a simplified process for filing conventional mortgage insurance claims with participating mortgage insurers using the new Mortgage Insurance Claims Portal. With this update, we are including a direct link to the portal in the Guide.

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 Dec. 8, 2021)
Consolidation of Selling and Servicing insurance policies	<ul style="list-style-type: none">▪ B-2-01, Property Insurance Requirements Applicable to Property Types▪ B-2-02, Property Insurance Requirements for Mortgage Loans Secured by a One- to Four- Unit Property▪ B-2-03, Property Insurance Requirements for Mortgage Loans Secured by a Unit in a PUD, Condo, or Co-op▪ B-3-01, Flood Insurance Requirements Applicable to All Property Types▪ B-4-01, Builder’s Risk/Construction Site Insurance▪ B-4-02, Mortgage Loan or Credit Life Insurance Policies▪ F-1-02, Escrow, Taxes, Assessments, and Insurance
Updates to borrower-facing Guide documents	<ul style="list-style-type: none">▪ Evaluation Notices▪ <i>Mortgage Assistance Application</i> (Form 710)▪ <i>Borrower Solicitation Letter</i> (Form 745)▪ Form Modification Cover Letter▪ <i>Loan Modification Agreement</i> (Form 3179)▪ <i>Agreement for Modification, Re-Amortization, or Extension of a Mortgage</i> (Form 181)
Form 2002 retirement	<ul style="list-style-type: none">▪ F-1-11, Post-Delivery Servicing Transfers
Subservicer special product approval clarification	<ul style="list-style-type: none">▪ A2-1-06, Subservicing
Miscellaneous update	<ul style="list-style-type: none">▪ F-4-01, References to Fannie Mae’s Website