

MPF Announcement:

2024-12

Date:

February 27, 2024

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Government MBS

MPF Traditional

MPF Xtra[®]

Effective Date:

Immediately (unless otherwise noted)

MPF Xtra Servicing Updates – FNMA SVC-2024-01

Pursuant to Fannie Mae [SVC-2024-01](#), the below referenced topics have been updated that are applicable to mortgage loans serviced under the MPF Xtra product:

- Clarified Servicer responsibilities related to monitoring and verification of property insurance coverage.
- Miscellaneous updates:
 - Incorporated previously issued temporary policies related to servicing mortgage loans requiring flood insurance in the event of a lapse of the National Flood Insurance Program.
 - Updated the list of states where remote online notarizations are permissible.

Reference

[Fannie Mae Servicing Guide SVC-2024-01](#)

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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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.

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Servicing Guide Announcement (SVC-2024-01)

Feb. 14, 2024

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

- [Property insurance requirements](#)** : clarifies servicer responsibilities related to monitoring and verification of property insurance coverage
- [Miscellaneous updates](#):
 - Flood insurance*
 - Remote online notarization requirements*

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

*Policy change not applicable to reverse mortgage loans.

**Policy change applies only to Home Keeper® loans and is not applicable to HECM mortgage loans.

Property insurance requirements

At the direction of FHFA and in alignment with Freddie Mac, we clarified certain property insurance requirements to promote sustainable homeownership and ensure all properties are sufficiently insured. In *Selling Guide* Announcement [SEL-2024-01](#), we describe the updated insurance coverage requirements and responsibilities applicable to both lenders and servicers. In accordance with that Announcement, we also updated the *Servicing Guide* to clarify the servicer's responsibility to

- have policies and procedures in place to ensure that property insurance is continuously maintained;
- verify at least annually that the selected insurer, policy amount, and type of coverage meet our requirements;
- obtain lender-placed insurance in response to notification that coverage is being cancelled, non-renewed, reduced, or otherwise modified in a manner resulting in coverage that no longer meets our requirements; and
- indemnify us in the event of insufficient coverage when the servicer relies on an insurance product it has selected or obtained as an alternative to obtaining a copy of the master property insurance policy to verify adequate coverage.

Effective: Servicers must comply with these policies, as clarified, as soon as possible, but are required to do so for all mortgage loans with insurance policies that are renewed or obtained on or after Jun. 1, 2024.

Miscellaneous updates

Flood Insurance*: We incorporated previously issued temporary policies related to servicing mortgage loans requiring flood insurance in the event of a lapse of the National Flood Insurance Program.

Effective: These policy changes are effective immediately when applicable.

Remote online notarization requirements*: In accordance with *Selling Guide* Announcement [SEL-2023-11](#), we recently updated the list of states where remote online notarizations are permissible in the *Selling 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](#).



Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated Feb. 14, 2024)
Property insurance requirements	<ul style="list-style-type: none"><li data-bbox="605 321 1469 352">▪ B-2-01, Property Insurance Requirements Applicable to All Property Types<li data-bbox="605 357 1479 388">▪ B-2-03, Master Property Insurance Requirements for Project Developments
Flood insurance	<ul style="list-style-type: none"><li data-bbox="605 432 1433 464">▪ B-3-01, Flood Insurance Requirements Applicable to All Property Types
Remote online notarization requirements	<ul style="list-style-type: none"><li data-bbox="605 491 1451 548">▪ A2-5-01, Ownership and Retention of Individual Mortgage Loan Files and Records