

Servicing Guide Announcement (SVC-2022-03)

May 11, 2022

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

- [Eliminating unrecorded assignments of mortgage](#): incorporates the policies introduced in [LL-2021-15](#), *Unrecorded Assignments of Mortgage and New Limited Powers of Attorney* into the *Servicing Guide*
- [Mortgage-backed security principal & interest, guaranty fee, and reverse mortgage loan remittances](#): provides updates to managing drafting instructions for mortgage-backed security (MBS) principal & interest (P&I), guaranty fee, and reverse mortgage loan remittances
- [Miscellaneous updates](#):
 - provides notification of the transition to a new foreclosure and bankruptcy data reporting system and
 - updates cutoff time for drafting instructions

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

Eliminating unrecorded assignments of mortgage

In accordance with *Selling Guide* Announcement [SEL-2022-04](#), we updated the *Servicing Guide* to incorporate the policies introduced in Lender Letter [LL-2021-15](#). We are aligning the *Selling* and *Servicing Guides* by eliminating the requirement to provide unrecorded assignments of mortgage from the servicer to Fannie Mae for mortgage loans not registered with Mortgage Electronic Registration System, Inc. (MERS®) until we specifically request them at our discretion. Servicers are required to comply with *Selling Guide* [A4-1-04](#), Submission of Irrevocable Limited Power of Attorney.

Effective: Effective immediately, servicers are no longer required to prepare an unrecorded assignment of mortgage to Fannie Mae for mortgage loans not registered in MERS for concurrent and post-delivery servicing transfers. As communicated in LL-2021-15, all sellers/servicers must have completed and delivered five original *Irrevocable Limited Power of Attorney* ([Form 520](#)) to us by Mar. 1, 2022. Failure to submit the forms may result in the suspension or termination of the rights to sell or service mortgage loans, or other consequences, until the completed forms are submitted.

Mortgage-backed security principal & interest, guaranty fee, and reverse mortgage loan remittances

Servicers will now be required to use the Cash Remittance System (CRS) instead of *Authorization for Automatic Transfer of Funds* ([Form 1072](#)) to manage drafting instructions for:

- MBSPI remittances,
- guaranty fee remittances, and
- reverse mortgage loan remittances.

[Form 1072](#) and the [CRS User Guide](#) have been updated to reflect these changes.

Effective: This policy change is effective immediately.



Miscellaneous updates

Reporting default-related matters. Effective Jul. 1, 2022, law firms handling our default-related matters must report foreclosure and bankruptcy events in a new system, Default Reporting Application (DRA). Law firms retained by servicers must use this new system to comply with our reporting requirements pursuant to the *Mortgage Default Counsel Retention Agreement*.

As a reminder, in accordance with [A4-2.2-02](#), Law Firm Management and Oversight, servicers

- are fully responsible for managing and overseeing all aspects of the performance and compliance of any law firm to which it makes a referral, including obtaining, reviewing, and analyzing data and reports from the law firms; and
- must have policies and procedures reasonably designed to ensure that the law firms handling of Fannie Mae default-related matters are in compliance with the *Mortgage Default Counsel Retention Agreement* with us, the applicable provisions of the *Servicing Guide*, and applicable law.

We encourage servicers to gain read-only access to DRA by visiting the Fannie Mae [Technology Manager](#) beginning Jul. 1, 2022. Law firms should direct any questions to their assigned Fannie Mae Firm Manager.

Effective: This change is effective July 1, 2022. Any existing servicing directives related to the reporting of foreclosure and bankruptcy events are superseded by this Announcement.

Drafting instructions. The cutoff time to add or update drafting instructions via CRS has been updated.

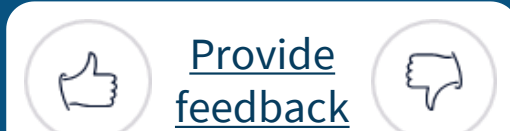
The deadline to add or update existing drafting instructions has been updated from 3:00 p.m. ET to 8:00 p.m. ET one day prior to the effective date. Any changes made before the 8:00 p.m. ET cutoff will automatically reflect an effective date of the next business day. Any changes made to the drafting instructions after 8:00 p.m. ET will automatically reflect an effective date of two business days after the current date of entry.

Effective: This policy change is effective immediately.

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 May 11, 2022)
Eliminating unrecorded assignments of mortgages	<ul style="list-style-type: none">▪ A2-7-01, Concurrent Servicing Transfers▪ A2-7-03, Post-Delivery Servicing Transfers▪ A2-9, Mortgage Assignments to Fannie Mae (new chapter)▪ A2-9-01, General Requirements (new topic)▪ A2-9-02, Special Provision for Puerto Rico (new topic)▪ A3-1-01, Maintaining Fannie Mae Seller/Servicer Status▪ F-1-11, Post-Delivery Servicing Transfers▪ F-3-03, Acronyms and Glossary of Defined Terms: C
Mortgage-backed security principal & interest, guaranty fee, and reverse mortgage loan remittances	<ul style="list-style-type: none">▪ F-1-03, Establishing and Implementing Custodial Accounts▪ F-1-20, Remitting and Accounting to Fannie Mae▪ Reverse Mortgage Loan Manual<ul style="list-style-type: none">○ 2-05, Establishing Custodial Bank Accounts○ 7-03, List of Contacts