



# Servicing Guide Announcement (SVC-2021-03)

Jun. 9, 2021

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

- [Verification of borrower's income and assets\\*](#): provides an alternative means of verifying borrower income and asset information through the use of third-party vendors.
- [Post-forbearance disaster payment deferral](#): clarifies when the borrower must make their full monthly contractual payment during the month of solicitation for a disaster payment deferral.
- [Loss mitigation valuations\\*](#): streamlines method to obtain loss mitigation valuation information into a single platform.
- [IRS reporting](#): updates our requirements for filing IRS forms.
- [Miscellaneous updates](#):
  - notifies servicers of updates to the Fannie Mae Software Subscription Agreement Master Terms and Conditions, and
  - clarifies verbiage related to hazard loss disbursements.

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

\*Policy change not applicable to reverse mortgage loans.

## Verification of borrower's income and assets

We have updated the *Guide* to explicitly authorize servicer use of a third-party vendor to verify borrower income and assets as stated by the borrower on the *Mortgage Assistance Application* ([Form 710](#)) in connection with obtaining

- a complete Borrower Response Package as stated in [D2-2-05, Receiving a Borrower Response Package](#); and
- documentation to reconcile inconsistencies upon verbally verifying the borrower's assets when determining the borrower's ability to make a cash contribution as outlined in [D2-3.3-01, Fannie Mae Short Sale](#) and [D2-3.3-02, Fannie Mae Mortgage Release](#).

**Effective:** Servicers are authorized to implement this flexibility immediately.

## Post-forbearance disaster payment deferral

In response to servicer inquiries, we have updated [D2-3.2-06, Disaster Payment Deferral](#) to clarify that when the servicer is soliciting a borrower for a post-forbearance disaster payment deferral, if the mortgage loan is 12 months delinquent as of the date of evaluation, the borrower must make their full monthly contractual payment during the month of solicitation. In this circumstance, the servicer must complete the disaster payment deferral within the month of the solicitation after receipt of the borrower's full monthly contractual payment due during that month. If the servicer chooses to use a processing month, the borrower must also make their full monthly contractual payment during the processing month. The servicer must then complete the disaster payment deferral within the processing month after receipt of the borrower's full monthly contractual payment due during that month.

The [Investor Reporting Manual](#) has also been updated.

**Effective:** This policy clarification is effective immediately.



## Loss mitigation valuations

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To streamline the loss mitigation valuation process, servicers must now use the Servicing Management Default Underwriter™ User Interface to order and retrieve the results of a property's AVM estimated value and confidence score for loan modifications and Mortgage Release™. Prior to this change, servicers used our Automated Property Service application.

**Effective:** Servicers are encouraged to implement this policy change starting on Jun. 21, 2021, but must do so by Jul. 19, 2021.

## IRS reporting

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To eliminate borrower confusion, we are clarifying 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, loan number, and Fannie Mae nine-digit identification number; and
- continue to include our name and federal tax identification number.

Clarifications have also been added to the reporting requirements for IRS Forms 1098 and 1099-MISC.

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

## Miscellaneous updates

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**Software Subscription Agreement update.** We have updated *Selling Guide E-2-03, Software Subscription Agreement Master Terms and Conditions* to match the updated document of the same name published on our website. The *Servicing Guide F-4-04, List of Lender Contracts* references this topic. Substantive changes include the following:

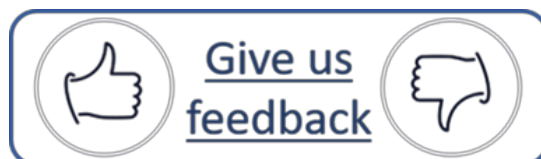
- added a specific prohibition against Licensee's use of Licensed Materials to access or use non-public information outside of the United States,
- expanded an existing prohibition (previously only applicable to APIs and integration interfaces) against the collection of data from a Licensed Application using retrieval applications or devices,
- included a provision allowing us to remove material transmitted by a Licensee that is determined to be in violation of the Agreement or applicable law, or that may lead to a Performance Incident or Data Breach, and
- revised the termination provision.

**Note:** We previously communicated these revised Master Terms and Conditions to our sellers/servicers via a Legal Bulletin. All changes became effective on Mar. 17, 2021.

**Hazard loss disbursement.** [B-5-01, Insured Loss Events](#) has been updated to clarify that a servicer is authorized to (but not required to) disburse up to the maximum limit of insurance loss proceeds indicated in the *Guide* based on loan status and amount of insurance proceeds.

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 Jun. 9, 2021)
<b>Verification of borrower's income and assets</b>	<ul style="list-style-type: none"><li>▪ <a href="#">D2-2-05, Receiving a Borrower Response Package</a></li><li>▪ <a href="#">D2-3.3-01, Fannie Mae Short Sale</a></li><li>▪ <a href="#">D2-3.3-02, Fannie Mae Mortgage Release (Deed-in-Lieu of Foreclosure)</a></li></ul>
<b>Post-forbearance disaster payment deferral</b>	<ul style="list-style-type: none"><li>▪ <a href="#">D2-3.2-06, Disaster Payment Deferral</a></li><li>▪ <a href="#">Investor Reporting Manual</a> 4-01, Reporting a Mortgage Loan Eligible for a Payment Deferral</li></ul>
<b>Loss mitigation valuations</b>	<ul style="list-style-type: none"><li>▪ <a href="#">D1-1-01, Evaluating a Request for the Release, or Partial Release, of Property Securing a Mortgage Loan</a></li><li>▪ <a href="#">F-1-13, Processing a Fannie Mae Mortgage Release (Deed-In-Lieu of Foreclosure)</a></li><li>▪ <a href="#">F-1-27, Processing a Fannie Mae Flex Modification</a></li><li>▪ <a href="#">F-3-06, Glossary of Fannie Mae Terms: F</a></li><li>▪ <a href="#">F-4-02, Acronyms and Abbreviations</a></li></ul>
<b>IRS reporting</b>	<ul style="list-style-type: none"><li>▪ <a href="#">C-4.2-01, Filing IRS Forms</a></li><li>▪ <a href="#">F-1-23, Reporting to Third Parties</a></li><li>▪ <a href="#">Summary of IRS Form 1099-A and 1099-C Filing (Form 1100)</a></li></ul>
<b>Hazard loss disbursement</b>	<ul style="list-style-type: none"><li>▪ <a href="#">B-5-01, Insured Loss Events</a></li></ul>