



Servicing Guide Announcement (SVC-2023-03)

May 10, 2023

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

- [Servicing responsibilities for mortgage loans with resale restrictions or shared equity provisions](#)*: introduces and clarifies requirements for servicing mortgage loans subject to resale restrictions or shared equity provisions
- [Automation of the Non-Routine Litigation Form](#): updates the link to require electronic submission
- [New York Consolidation, Extension, and Modification Agreement](#)*: provides updated requirements for refinancing an eNote
- [Elimination of the MERS® system requirement for eMortgages](#): removes the requirement that sellers/servicers must register the lien on MERS

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

*Policy change not applicable to reverse mortgage loans.

Servicing responsibilities for mortgage loans with resale restrictions or shared equity provisions

In coordination with *Selling Guide* Announcement [SEL-2023-04](#), we updated the *Servicing Guide* to introduce and clarify requirements for servicing mortgage loans subject to resale restrictions or shared equity provisions. These updates

- clarify that servicers must service these mortgage loans in accordance with the *Servicing Guide*, the mortgage loan documents, the recorded resale restriction agreement or shared equity transaction agreement, as applicable, and in compliance with applicable law;
- provide specific requirements related to mortgage loans subject to shared equity provisions, such as, cooperating with the program provider in connection with the exercise of its purchase option and distributing any excess proceeds, as applicable;
- include the program fee as an applicable monthly housing expense in instances where servicers are required to calculate the housing expense-to-income ratio during the evaluation of a workout option; and
- clarify the requirements for mortgage loans with respect to foreclosure proceedings and post-delivery servicing transfers.

Effective: Servicers are encouraged to comply with these requirements immediately but must do so by Sept. 1, 2023.

Automation of the Non-Routine Litigation Form

We automated the submission process for our *Non-Routine Litigation Form* ([Form 20](#)), which replaces the current email process. Servicers can now submit Form 20 through a web-based application.

Effective: Servicers are encouraged to transition to the automated submission process immediately but must do so by July 1, 2023.

New York Consolidation, Extension, and Modification Agreement

We updated the *Servicing Guide* to require servicers to leave in paper form a previously converted eNote and to send the note to their document custodian when the note was converted to paper to facilitate a refinance via a *New York Consolidation, Extension, and Modification Agreement* (CEMA [Form 3172](#)) and the CEMA is not completed. When a converted eNote is sent to the document custodian when a CEMA is not completed, servicers must also submit a post-purchase adjustment request to us.



Additionally, servicers will be allowed to postpone certain activities related to converting eNotes for a CEMA when the servicer of the eNote is also the lender originating the CEMA.

Effective: Servicers are encouraged to implement these changes immediately but must do so by July 1, 2023.

Elimination of the MERS system requirement for eMortgages

We updated the [Guide to Delivering eMortgages to Fannie Mae](#) to eliminate the requirement that sellers/servicers must register the lien on the Mortgage Electronic Registration System (MERS) when delivering an eMortgage to us.

There is no change to the requirement that sellers/servicers must use the MERS eRegistry when delivering eMortgages to us. This update does not impact the *Servicing Guide*.

Effective: Sellers/servicers may implement this change 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](#).



Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated May 10, 2023)
Servicing responsibilities for mortgage loans with resale restrictions or shared equity provisions	▪ A2-1-03, Servicer's Duties and Responsibilities Related to Mortgage Loans with Resale Restrictions or Shared Equity Transactions (New Topic) ▪ A2-7-03: Post -Delivery Servicing Transfers ▪ E-3.3-05: Issuing Bidding Instructions ▪ E-4.1-01: Notifying Fannie Mae of an Acquired Property ▪ F-1-11: Post-Delivery Servicing Transfers ▪ F-1-12: Preparing to Implement a Workout Option ▪ F-1-13: Processing a Fannie Mae Mortgage Release (Deed-In-Lieu of Foreclosure) ▪ F-1-14: Processing a Fannie Mae Short Sale ▪ F-1-20: Remitting and Accounting to Fannie Mae ▪ F-1-27: Processing a Fannie Mae Flex Modification
Automation of the <i>Non-Routine Litigation Form</i>	▪ A4-1-03, Addressing Borrower Inquiries and Disputes ▪ B-1-01, Administering an Escrow Account and Paying Expenses ▪ D1-6-02, Handling Notices of Liens, Legal Actions, Other Actions Impacting Fannie Mae's Interest ▪ D2-2-10, Requirements for Performing Property Inspections ▪ D2-3.2-05, Payment Deferral ▪ D2-3.2-06, Disaster Payment Deferral ▪ D2-3.2-07, Fannie Mae Flex Modification ▪ E-1.2-02, Timing of the Foreclosure Referral for Mortgage Loans Generally ▪ E-1.3-01, General Servicer Responsibilities for Non-Routine Matters ▪ E-1.3-02, Reporting Non-Routine Litigation to Fannie Mae ▪ E-2.2-02, Managing Chapter 11 Bankruptcies ▪ E-2.3-03, Handling Cramdowns of the Mortgage Debt ▪ F-1-08, Managing Foreclosure Proceedings ▪ F-4-02, List of Contacts ▪ <i>Non-Routine Litigation Form</i> (Form 20)
New York Consolidation, Extension, and Modification Agreement	▪ F-1-26, Servicing eMortgages