



Servicing Guide Announcement (SVC-2024-07)

Dec. 18, 2024

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

- [Allowable foreclosure attorney fees, bankruptcy attorney fees, and Mortgage Release document preparation cost updates](#): updates allowable foreclosure and bankruptcy attorney fees, Mortgage Release document preparation cost, and clarifies the servicer's responsibility for certain legal fees
- [Miscellaneous update](#):
 - HECM mortgage insurance claim submission requirements

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

Allowable foreclosure attorney fees, bankruptcy attorney fees, and Mortgage Release document preparation cost updates

We updated the:

- *Allowable Foreclosure Attorney Fees Exhibit* to:
 - increase the maximum allowable foreclosure attorney fees in all jurisdictions and US territories,
 - incorporate footnotes 5, 8,11, and 12 into the applicable state's allowable fee, and
 - increase the fee in footnote 9 to \$1,100.
- *Allowable Bankruptcy Attorney Fees Exhibit* to:
 - increase fees across all bankruptcy chapters, and
 - add a post-discharge audit fee as a servicer paid fee.

Additionally, we updated the *Servicing Guide* to:

- increase the Mortgage Release document preparation expense reimbursement limit to \$650 for a completed Mortgage Release,
- clarify the transferee servicer's responsibility for legal expenses incurred in connection with a servicing transfer, including attorney's fees in pending foreclosure or bankruptcy matters, and
- clarify the servicer must compensate the law firm for the work performed but not completed on a prorated basis.

Effective: The new allowable fees apply to all matters referred to counsel for initiation of foreclosure and bankruptcy proceedings, regardless of referral date, if the matter is still active as of Jan. 1, 2025. Servicers are encouraged to implement the new fees and updates immediately but must do so by April 1, 2025.

The new document preparation cost limit for a Mortgage Release applies to all Mortgage Release cases closed on and after Jan. 1, 2025.



Miscellaneous update

HECM mortgage insurance claim submission requirements: We updated the [Reverse Mortgage Loan Servicing Manual](#) to remove references to the retired File Transfer Portal (FTP) in Fannie Mae's servicing solutions system. The servicer must contact the HECM Recovery Team for instructions on how to submit mortgage insurance claims for reverse mortgage loans, including paper-based, assignment type 22, and profit/negative claims.

Effective: This policy 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](#).



Impacted Topics

Section of the Announcement	Updated <i>Servicing Guide</i> Topics and Related Documents (Dated Dec. 18, 2024)
Allowable foreclosure attorney fees, bankruptcy attorney fees, and Mortgage Release document preparation fee updates	<ul style="list-style-type: none">▪ A2-7-03, Post-Delivery Servicing Transfers▪ E-5-03, Allowable Bankruptcy Fees▪ F-1-05, Expense Reimbursement▪ Allowable Foreclosure Attorney Fees Exhibit▪ Allowable Bankruptcy Attorney Fees Exhibit
HECM mortgage insurance claim submission requirements	<ul style="list-style-type: none">▪ Reverse Mortgage Loan Servicing Manual<ul style="list-style-type: none">○ 5-02, Home Equity Conversion Mortgage Loan-Specific Mortgage Insurance Claim Requirements