
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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Fannie Mae and Freddie Mac to Streamline Short Sales to Help Borrowers and Communities New Timelines Take Effect in June

Washington, DC – The Federal Housing Finance Agency (FHFA) has directed Fannie Mae and Freddie Mac to develop enhanced and aligned strategies for facilitating short sales, deeds-in-lieu and deeds-for-lease in order to help more homeowners avoid foreclosure. The effort will come in stages with the first taking place this June. The new, aligned timelines include the requirement that mortgage servicers review and respond to requests for short sales within 30 calendar days from receipt of a short sale offer.

“FHFA and the Enterprises are committed to enhancing the short sales and deeds-in-lieu process as additional tools to prevent foreclosure, keep homes occupied and help maintain stable communities,” said FHFA Acting Director Edward J. DeMarco. “These timeline and borrower communication announcements set minimum standards and provide clear expectations regarding these important foreclosure alternatives.”

With the alignment, servicers will be required to do the following:

- review and respond to requests for short sales within 30 calendar days from receipt of a short sale offer and a complete borrower response package;
- provide weekly status updates to the borrower if the short sale offer is still under review after 30 calendar days;
- make and communicate final decisions to the borrower within 60 calendar days of receipt of the offer and complete borrower response package.

By the end of 2012, Fannie Mae and Freddie Mac will announce additional enhancements addressing borrower eligibility and evaluation, documentation simplification, property valuation, fraud mitigation, payments to subordinate lien holders, and mortgage insurance.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.