Step	Servicer Action
2	If the property is abandoned, secure it in accordance with the requirements for a property in foreclosure in *E-3.2-12, Performing Property Preservation During Foreclosure Proceedings* and the *Property Preservation Matrix and Reference Guide*.
3	Develop plans to repair the property.
4	Assist the borrower in filing for any disaster relief that may be available in accordance with D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower.
5	Evaluate the borrower for a workout option in accordance with Chapter D2-3, Fannie Mae's Home Retention and Liquidation Workout Options, if applicable.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2020-04	September 9, 2020

Chapter B-6, Lender-Placed Insurance

Introduction

This chapter describes the requirements related to lender-placed insurance.

B-6-01, Lender-Placed Insurance Requirements (10/14/2015)

Introduction

This topic contains the following:

- Servicer Responsibilities Related to Lender-Placed Insurance
- Lender-Placed Insurance Deductible Requirements

Servicer Responsibilities Related to Lender-Placed Insurance

If the servicer cannot obtain evidence of acceptable property or flood insurance for a property securing a mortgage loan, the servicer must obtain lender-placed insurance in compliance with Fannie Mae's insurance requirements. The following table provides the servicer's responsibilities related to lender-placed insurance.

✓	**The servicer must...**
	Only issue lender-placed insurance coverage after it makes unsuccessful attempts to obtain evidence of insurance in accordance with applicable law.
	Not use a lender-placed insurance carrier that is an affiliated entity, as defined below, for a lender-placed insurance policy, including any captive insurance or reinsurance arrangements with an affiliated entity.
	Exclude any lender-placed insurance commissions or payments (including any incentive based compensation regardless of its designation as commission, bonus, fees, or other types of payments from the servicer's lender-placed insurance carrier; for example, underwriting bonuses or other payments based on insurance loss ratios) earned on a lender-placed insurance policy by the servicer, broker, or any affiliated entity, as defined below, from the lender-placed insurance premiums charged to the borrower or submitted for reimbursement from Fannie Mae.
	Provide copies of its lender-placed insurance policy, including any other contractual arrangements between the servicer and a lender-placed insurance carrier, upon Fannie Mae's request.
	Provide any documentation or data relating to its lender-placed insurance activities and lender-placed insurance coverage requested by Fannie Mae within 30 days of Fannie Mae's request.
	In compliance with applicable law: • terminate any lender-placed insurance, and • refund all lender-placed insurance premiums and fees charged during any period of coverage overlap.

For purposes of lender-placed insurance, an affiliated entity is defined as

- an entity owned or controlled, in whole or in part, by the servicer including, but not limited to, a subsidiary or joint venture of the servicer;
- an entity that owns or controls, in whole or in part, the servicer (for example, the parent company of the servicer); or
- an entity under common ownership or control with the servicer (for example, two subsidiaries of the

same parent company).

An affiliated entity does not include a publicly traded company where the servicer owns less than 5% of its stock.

Lender-Placed Insurance Deductible Requirements

The servicer must set the deductible for a lender-placed property insurance policy based on the following table.

If the coverage amount is...	Then the required deductible is...
less than $100,000	$1,000.
from $100,000 up to and including $250,000	$2,000.
greater than $250,000	$2,500.

> **Note:** Lender-placed flood insurance, and lender-placed wind- or hail-only insurance policies are excluded from this requirement.

Recent Related Announcements

There are no recently issued Announcements related to this topic.

Chapter B-7, Liability and Fidelity/Crime Insurance Requirements for Project Developments

Introduction

This chapter describes the requirements relating to liability and fidelity/crime insurance for project developments.

B-7-01, General Liability Insurance Requirements for Project Developments (12/21/2022)