
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Directs Fannie Mae and Freddie Mac to Adopt Uniform Improvements to Foreclosure Attorney Networks

Washington, DC –The Federal Housing Finance Agency (FHFA) has directed Fannie Mae and Freddie Mac to transition away from current foreclosure attorney network programs and move to a system where mortgage servicers select qualified law firms that meet certain minimum, uniform criteria. Under current practice, in certain states each Enterprise designates law firms eligible under the Enterprise’s criteria to undertake foreclosure work and mortgage servicers then select and work with these firms.

The new approach is in line with FHFA’s Servicing Alignment Initiative that produced uniform foreclosure processing standards to assist servicers, homeowners and lenders. FHFA believes these efforts will lead to greater transparency and benefit delinquent borrowers who become subject to the foreclosure process. Further, the change will be supportive of the Consent Orders entered into by financial regulators and servicers.

The changes will be implemented after a transition period in which input will be taken from servicers, regulators, lawyers and other market participants. During this period, existing contracts remain in place and in effect.

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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.