

Senior Products Group
Reverse Mortgage
Policy Letters
1998-2000

1998

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(for our originators)

DATE: September 2, 1998

TO: Reverse Mortgage Lenders

FROM: Mercy Jiménez
Vice President, Senior Products

SUBJECT: New Policy Statement
(Reverse Mortgage Letter 1998-1)

Enclosed is an update to our current policies governing the selling and servicing of the Home Equity Conversion Mortgages (HECM). The new policies relate to changes concerning the timing of growth for HECMs and purchase adjustments. Please note that some of these changes may affect your own policies and procedures for correspondents, so you will want to make those adjustments as applicable.

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter or the enclosed policy statement, may be required to repurchase the applicable loan(s) or may become ineligible to deliver reverse mortgages to Fannie Mae in the future.

If you have any questions about these new policies, please call Tom Atwell at (202) 752-2747.

Enclosure

cc: Tom Atwell
Mary Cadagin
Stephanie Garrison

DATE: September 10, 1998

TO: Reverse Mortgage Lenders

FROM: Mercy Jiménez
Vice President, Senior Products

SUBJECT: Distribution of Reverse Mortgage Loan Proceeds
(Reverse Mortgage Letter 1998-2)

Attached is an article published on the front page of the Washington Post on Sunday, July 12, 1998. This article caught my attention because it concerns a senior homeowner who took out a home equity loan to pay for some repairs but the work was never completed. This homeowner almost lost her home to foreclosure! Fortunately, a reverse mortgage was not involved, but I think you can understand the negative market impact we are anxious to avoid.

This article provides an opportunity to reiterate and clarify Fannie Mae's policy about the reverse mortgages we purchase. Reverse mortgage lenders are expected to be responsible and prudent in loan origination. Lenders should not direct reverse mortgage borrowers to use funds for any specific purpose and should make it clear to consumers that the reverse mortgage loan is not dependent upon some other transaction, i.e., a particular supplier of annuities, repairs, etc. For example, a lender should not require of or imply to reverse mortgage borrowers that they are obligated to purchase a product or service from the referring party. Therefore, although a repair contractor may have referred a consumer to a reverse mortgage lender to obtain funds for repairs, the consumer is not obligated to order the repairs or to obtain the repair services from the referring contractor.

To ensure that this policy is effectively implemented, we are now prohibiting lenders from disbursing funds to any third party except:

- to retire existing debt at closing (i.e., first mortgage or other first lien),
- to pay a contractor from the borrower's repair set-aside account, or
- to pay property taxes or hazard insurance premiums according to Fannie Mae and HUD Guides on reverse mortgages.

With the exceptions previously noted, proceeds from all reverse mortgages purchased by Fannie Mae must be delivered into the borrower's account for use by the borrower. It is imperative that the borrower(s) be solely responsible for deciding how to use loan proceeds. We feel this requirement, which is consistent with our public comments to HUD on the disbursement of HECM proceeds, will clearly separate the reverse mortgage from any transaction being funded by the loan proceeds. Nothing in this letter affects

current requirements related to repair set-asides for either HECM or Home KeeperSM.

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter may be required to repurchase the applicable loan(s) or may become ineligible to deliver reverse mortgages to Fannie Mae in the future.

If you have any questions about this policy, please contact Janice Mitchell at (202)752-7953.



FannieMae

Mercy Jimenez

Vice President
Senior Products

900 Wisconsin Avenue, NW

Washington, DC 20016-2892

202 752 6767

202 752 4013 (fax)

mercy.jimenez@fanniemae.com

DATE: November 24, 1998

TO: Reverse Mortgage Lenders

FROM: Mercy Jiménez *M.J.*
Vice President, Senior Products

SUBJECT: Reverse Mortgage Letter 1998-2A
Addition to Reverse Mortgage Letter 1998-2: Distribution of Loan
Proceeds

Closing costs permitted by HUD and Fannie Mae Guides and which comply with applicable laws and regulations may be paid to a third party by the seller/servicer or an authorized escrow closing agent. Costs that are prerequisite to the closing of the transaction, such as costs for termite fumigation and flood insurance, can be paid by the lender with borrower funds to the provider of these services as long as the borrower is in agreement.

Fannie Mae Reverse Mortgage Letter 1998-2, dated 9/10/98, does not apply to the disbursement of such permissible closing costs. We suggest that lenders originating reverse mortgages in those states that permit an escrow agent to disburse funds advise the escrow agent of the terms of Reverse Mortgage Letter 1998-2 as well as this letter.

For repair set-asides, it is the borrower's responsibility to select a repair contractor. The lender is expected, in accordance with HUD and Fannie Mae guidelines, to stop all payments to the borrower if the repairs are not completed according to the loan agreement.

Please note that, as of the date of this letter, multiple checks to distribute funds to parties other than the borrower and dual-party checks are not permitted (except as described in paragraph 1 above or where expressly required by the mortgage documents).

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter may be required to repurchase the applicable loan(s) or may become ineligible to deliver reverse mortgages to Fannie Mae in the future.

If you have any questions about this policy, please contact Janice Mitchell at (202)752-7953.

DATE: September 10, 1998

TO: Reverse Mortgage Lenders

FROM: Mercy Jiménez
Vice President, Senior Products

SUBJECT: Reverse Mortgage Correspondents
(Reverse Mortgage Letter 1998-3)

With the current market changes and new lender interest, it is important to reiterate and clarify Fannie Mae policy about reverse mortgage correspondents and third-party origination.

As stated in the Fannie Mae Selling Guide (see Chapter 2, Section 202) lenders can use third parties to originate or partially originate the mortgages delivered to Fannie Mae. For reverse mortgages, all third-party originators—except federally-insured depositories—must receive approval from their Fannie Mae regional office. Regional office approval to originate reverse mortgages for sale to Fannie Mae will be based on such factors as:

- financial condition and historical performance, including compliance with federal, state, or local laws and regulations (Selling Guide, Chapter 3, Section 306), and
- personnel resumes and references of staff who will be involved in origination.

Federally-insured depository institutions may act as third-party originators of reverse mortgages without separate approval from your Fannie Mae regional office. Lenders must ensure that, as correspondents, these depository institutions are in good financial standing with their regulator, that loan origination is only by employees of the depository institution, and that these employees have received reverse mortgage training by Fannie Mae or the lender.

Lenders that sell mortgages to Fannie Mae that are originated by a third-party originator must implement certain quality controls to ensure that these originations meet Fannie Mae's standards and guidelines, e.g., an audit of 10% of the mortgages and an annual review of the third-party originator's financial statements (Selling Guide, Chapter 3, Section 301.01).

Effective immediately, all Fannie Mae lenders who deliver reverse mortgages that are third-party originations will be asked periodically to provide a list of correspondents to Fannie Mae for review. In response, these lenders must be able to demonstrate quality control standards for third-party approval and origination as stated in the Fannie Mae Selling Guide. Upon receipt of this information, Fannie Mae will take all reasonable precautions to ensure that such data remains confidential and accessible to Fannie Mae

employees on an as-needed basis only.

September 10, 1998

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The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter may be required to repurchase the applicable loan(s) or may become ineligible to deliver reverse mortgages to Fannie Mae in the future.

If you have any questions about this policy, please contact Janice Mitchell at (202)752-7953.



3900 Wisconsin Avenue, NW
Washington, DC 20016-2892
phone 202 752 7000

DATE: September 29, 1998

TO: Fannie Mae Reverse Mortgage Seller/Serviceers

FROM: Janice Mitchell *Janice*
Business Manager, Senior Products

SUBJECT: Residential Loan Application for Reverse Mortgages
(Reverse Mortgage Letter 1998-4)

Attached is a copy of the new Residential Loan Application for Reverse Mortgages, Form 1009. This is a Fannie Mae form that was developed to improve the reverse mortgage application process for consumers and lenders. It can be used immediately in lieu of the Uniform Residential Loan Application (Fannie Mae Form 1003).


Form 1009 incorporates all of your valuable input for simplifying and streamlining the data collected from reverse mortgage applicants. You do, however, have the option to continue using the Fannie Mae Form 1003 (the Uniform Residential Loan Application) if you prefer. In addition, all HECM loan applicants utilizing either Form 1009 or Form 1003 are still required to complete the HUD/VA Addendum (HUD Form 92900A).

Please note that Fannie Mae owns the copyright for Form 1009. As a Fannie Mae-approved seller/servicer, you are hereby granted a limited license to copy and use the form in connection with originating a reverse mortgage that is to be sold to Fannie Mae. Also, you are granted a limited license to modify Form 1009 to comply with all federal, state and local laws and regulations, as necessary. Limited copies can be obtained from Fannie Mae's Fulfillment Center at 1-800-471-5554.

Please contact Janice Mitchell at (202)752-7953 if you have any questions.



3000 Wisconsin Avenue, NW
Washington, DC 20016-2892
phone 202 752 7000

DATE: October 28, 1998
TO: Reverse Mortgage Lenders
FROM: Tom Atwell 
Senior Business Manager, Senior Products
SUBJECT: Fee Structure for Purchase Adjustments
(Reverse Mortgage Letter 1998-5)

As outlined in our Reverse Mortgage Letter 1998-1, Section 2, Fannie Mae can assess fees for correcting purchase adjustments beginning November 1, 1998. This letter describes the fee structure that will be utilized by Fannie Mae in assessing purchase adjustment fees.

Please note that the following fee structure represents the *minimum* amount that can be assessed to a seller. Fannie Mae will retain the flexibility to increase the fee amounts based on historical deliveries or the complexity involved in correcting the loan.

All purchase adjustments should be communicated to Fannie Mae via a Customer Service Request (CSR). All CSR's submitted should include a copy of the original HECM/Home Keeper print screen, a copy of the payment plan (Exhibit 1) that the borrower signed at closing, and any other documents that would assist Fannie Mae in correcting the loan. The completed CSR and supporting documentation should be faxed to your analyst as soon as the problem is discovered.

The fee structure is dependent on when the error is discovered. If the error is detected in the month of purchase, a fee in the amount of \$100.00 will be assessed. For each subsequent month after the purchase month, an additional \$50.00 will be assessed. For example, if a loan was purchased on 9/15/98 and the seller notified Fannie Mae of the error (via a CSR) on 11/5, then the total fee that would be assessed is \$200.00 as shown below:

September =	\$100.00
October =	\$ 50.00
November =	<u>\$ 50.00</u>
Total =	\$200.00

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. If you have any questions about this policy, please contact your assigned business analyst listed below:


Venus Baucom	(703) 833-1004
Becky Detchon	(703) 833-7695
Galeda Harrington	(703) 833-1003
Sue Huston	(703) 833-3730



3900 Wisconsin Avenue, NW
Washington, DC 20016-2892
phone 202 752 7000

DATE: October 28, 1998

TO: Reverse Mortgage Lenders

FROM: Tom Atwell 
Senior Business Manager, Senior Products

SUBJECT: MIP and Interest Calculator
(Reverse Mortgage Letter 1998-6)

Enclosed is an additional procedure that describes the functionality and use of the MIP and Interest calculator. This tool was developed to assist lenders that may have a need to post or reverse prior period transactions with an effective date prior to November 1, 1998. Please read the document carefully and look for this new option in ShAReS™ beginning November 1, 1998.

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. If you have any questions about this policy, please contact one of the business analysts listed below:

Venus Baucom	(703) 833-1004
Becky Detchon	(703) 833-7695
Galeda Harrington	(703) 833-1003
Sue Huston	(703) 833-3730

DATE: November 6, 1998

TO: Reverse Mortgage Lenders

FROM: Mercy Jiménez
Vice President, Senior Products

SUBJECT: New Policy Statement
(Reverse Mortgage Letter 1998-7)

Following is an addendum to our current policies in the Reverse Mortgage Selling and Servicing Guide as it relates to delinquent tax and/or insurance processing. Please look for more policy statements relating to this topic in the near future.

Borrowers may elect to have the servicer pay their taxes and hazard insurance or may elect to pay the taxes and insurance themselves. Refer to the Reverse Mortgage Selling and Servicing Guide for servicer's responsibility for paying taxes and/or insurance (Section 4.E., pages 23-25 Home Keeper and Section 8.E., pages 52-53 HECM).

The Fannie Mae Reverse Mortgage Selling and Servicing Guide requires that borrowers make timely payments for their taxes and insurance and provide such proof of payment to the servicer (Section 4.E.4, page 25 Home Keeper and Section 8.E., pages 52-53 HECM). Servicers who elect to use a third party vendor that only notifies the servicer if a borrower is *delinquent* must implement the following additional procedures.

- a) Servicers must include a question on the annual occupancy verification form. This question should ask the borrower if they have entered into a tax deferral program. If the borrower responds in the affirmative, then the servicer must ensure that the tax deferral program does not take the first lien position as required by all reverse mortgages funded by Fannie Mae. Evidence of such confirmation must be maintained in the borrower's loan file.
- b) The servicer must also include the same or a similar question on other statements sent to the borrower, such as the rate change notification and the activity statements. On these statements, the borrower should be asked to notify the servicer if they have entered into a tax deferral program. Again, it is the servicer's responsibility to ensure that the tax deferral program takes a second lien position as required by all reverse mortgages funded by Fannie Mae.

If the borrower is determined to be delinquent on their taxes and/or insurance, the following requirements apply to all reverse mortgage servicers.

Borrower Correspondence for all delinquent borrowers.

- After verifying the delinquency with the taxing authority or insurance agent, the servicer is expected to contact the borrower within 20 calendar days after receiving the delinquency notice. For insurance delinquencies, the servicer should send a letter to the borrower and follow up with the insurance agent to obtain verification. For tax delinquencies, the servicer should send a letter to the borrower in addition to contacting the borrower via a telephone call.

The letter should reference the seriousness of the tax and/or insurance liability (Default/Foreclosure) and the necessity of working toward a non-delinquency situation going forward. The letter should also refer the borrower to the counselor who counseled them at closing or another HUD approved counseling agency. The counselor may be able to provide the borrower with information about agencies in their area that can be of assistance to them. In addition, the letter should also recommend a payment change (if applicable) creating a scheduled payment equal to at least 1/12 of the annual taxes and/or insurance to avoid foreclosure in the future. This money would be placed in a set aside specifically for paying taxes and/or insurance. The borrower will still be liable for any tax and/or insurance liability where there are insufficient funds in the set aside account.

- If, after 30 calendar days from notification, the borrower has not responded to repeated phone calls or to the letter(s), the servicer should send an occupancy verification request to the borrower along with the original letter. The servicer should also attempt to contact the next of kin or the third party contact listed at closing. Note: when contacting the third party or next of kin, please follow the Fair Credit Collection Act guidelines.
- If no response is received from the borrower after 30 calendar days of the occupancy verification being mailed, then the servicer should contact their Fannie Mae regional office for approval to declare the loan due and payable. For more information on declaring a HECM due and payable, please refer to the enclosed HUD letter titled, "Home Equity Conversion Mortgage (HECM)". For information on declaring a Home Keeper mortgage due and payable, please refer to the Reverse Mortgage Selling and Servicing Guide, Section 4.K., pages 29-30.

All payments advanced by the servicer to pay taxes and/or insurance should be added to the loan balance at the time that the payments are actually disbursed to the taxing authority or hazard insurer.

Requirements for additional conditions

In addition, any of the three following conditions will trigger supplemental requirements.

A) Requirements when a net principal limit <i>exists</i> to pay current and future taxes and/or insurance.

- If sufficient funds exist, servicers have the authority to advance such funds from the borrower's line of credit or process a payment change to create a line of credit sufficient to satisfy the debt, without the borrowers permission. Although not required, we urge servicers to make every effort to contact the borrower before processing any payments from their line of credits or changing their payment plans. In all cases, payments for taxes and/or insurance should be disbursed prior to accruing penalty and interest (if possible). It is imperative that insurance not be allowed to lapse. The servicer should take whatever steps deemed necessary to ensure that the property has insurance at all times.
- Where applicable, suggest to the borrower that s/he authorize the servicer to pay future taxes and/or insurance on a regular basis.

B) Requirements when a net principal limit <i>exists</i> to pay current taxes and/or insurance but is insufficient to fund future tax and/or insurance payments.

- The servicer should attempt to develop a satisfactory plan with the borrower to pay future taxes and insurance.
- If the servicer and borrower cannot complete a satisfactory plan to pay future taxes and/or insurance liabilities, then the servicer should refer the borrower back to the counselor in writing. This correspondence will need to be included in the borrower's folder.
- Furthermore, the servicer must track the next payment due date and must take proactive steps to ensure timely payment by the borrower for taxes and insurance.

C) Requirements when a net principal limit <i>DOES NOT exist</i> to fully pay current taxes and/or insurance.
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- The servicer should advance the remaining amount of the net principal limit to pay a portion of the tax and insurance liability. This may require the servicer to process a payment plan change in order to create a line of credit to make funds available. Every effort should be made to contact the borrower but this is not a requirement for advancing funds.

The servicer should calculate the remaining tax and/or insurance liability and advance those funds out of their corporate account. The servicer should then prepare a Fannie Mae 571 form "Cash Disbursement Request" and forward the request and supporting documentation to the National Property Disposition Center in Dallas for approval. The submission of the 571 should be completed within 30 days of advancing corporate

funds. Supporting documentation will include borrower's name, servicer number, Fannie Mae loan number, loan balance (including tax and/or insurance payment), loan status, maximum claim amount, borrower correspondence, workout/repayment plan, and the tax and/or insurance invoice. The National Disposition Center will review the request and will forward the documentation to Operations for processing within 7 days of receipt.

Please Note: The Fannie Mae Form 571 should be sent to the Regional Servicing Specialist for the month of November 1998. Effective December 1, 1998, all Fannie Mae 571's should be sent to the National Disposition Center in Dallas for approval.

- The servicer must give the borrower the opportunity to repay the total amount of the advance, or structure a repayment schedule to collect the advance over a specified period of time. The servicer has the authority to independently agree to repayment schedules that do not exceed 18 months for the total amount due. Any repayment schedule that exceeds 18 months will need Fannie Mae approval. All requests for such approvals should be directed to the appropriate regional servicing consultant or loss mitigation specialist. The terms of the workout/repayment plan needs to be communicated to the borrower in writing.

For Home Keeper loans where the loan balance is equal to or greater than 90% of the Adjusted Property Value, the servicer must inform the borrower that if they fail to make timely scheduled payments in accordance with the workout/repayment plan, then Fannie Mae requires that the servicer immediately declare the loan due and payable.

- Loans that require a special workout/repayment plan should be monitored on a monthly basis by the servicer to ensure compliance. This will decrease the likelihood of this loan being due and payable because of nonpayment of taxes and/or insurance in the future.

The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter or the enclosed policy statement may be required to repurchase the applicable loan(s) or may become ineligible to deliver reverse mortgages to Fannie Mae in the future.

If you have any questions about this policy, please contact Tom Atwell at (202)752-2747.

Enclosure



FannieMae

Mercy Jimenez

Vice President
Senior Products

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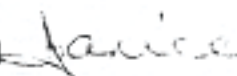
202 752 6767

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mercy.jimenez@fanniemae.com

DATE: November 23, 1998

TO: Reverse Mortgage Lenders

FROM: Janice Mitchell 
Business Manager, Senior Products

SUBJECT: Status of Massachusetts Legislation on Reverse Mortgages

As you are aware, this past summer, Massachusetts adopted a new reverse mortgage statute, which became effective November 8th. The new statute provides that lenders must seek approval from the Banking Commissioner to be an originator of, and with respect to, specific reverse mortgage products in Massachusetts. Among other features, reverse mortgage products must include approved counseling and must permit borrowers the opportunity to walk away from the transaction for at least 7 days following the borrower's written acceptance of the lender's written commitment.

Fannie Mae is currently in the process of finalizing the Massachusetts HomeKeeper[®] loan documents and is attempting to seek approval of the HomeKeeper[®] product on a pro forma basis to enable lenders to simply seek lender, and not product approval in order to originate HomeKeeper[®] mortgages. In addition, Fannie Mae shall work with HUD to obtain the Banking Commissioner's pro forma approval of the HECM product.

We will keep you updated on new developments. If you have any questions, please contact me at (202)752-7953.



FannieMae

Mercy Jimenez

Vice President
Senior Products

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202 752 4013 (fax)

mercy_jimenez@fannie.mae.com

DATE: November 23, 1998

TO: Fannie Mae Reverse Mortgage Seller/Serviceers

FROM: Janice Mitchell *Janice*
Business Manager, Senior Products

SUBJECT: Increase in HECM Loan Limits

On October 21, 1998, HUD issued Mortgagee Letter 98-28, effective as of the issue date. This letter increases the FHA 203(b) nationwide basic mortgage limits as well as those in "high cost" areas. Thus, the range of FHA 203(b) limits used to determine the "Maximum Claim amount" for HECM's is now \$109,032 for the basic nationwide mortgage limit and \$197,621 for "high cost" areas.

To obtain the complete listing of new FHA loan limits, please access the HUD website or contact the HUD Homeownership Center in your area.

Please contact me at (202)752-7953 if you have any questions.



FannieMae

3900 Wisconsin Avenue, NW
Washington, DC 20016-2892
phone 202 752 7000

DATE: December 7, 1998

TO: Reverse Mortgage Lenders

FROM: Tom Atwell *Tom Atwell*
Senior Business Manager, Senior Products

SUBJECT: Custodial Account and Portfolio Monthly Reconciliations
(Reverse Mortgage Letter 1998-8)

In an effort to standardize the monthly reconciliations our lenders perform, Fannie Mae has developed two new reconciliation worksheets. Enclosed are: (a) the Reverse Mortgage Custodial Account Analysis, (b) the Servicer Portfolio Monthly Reconciliation and (c) directions for completing the reconciliation worksheets. All lenders will be required to complete the worksheets beginning in January 1999 with December 1998 activity. The originals and the supporting documentation should be reviewed, approved, and maintained onsite for inspection by our auditors and a copy should also be mailed by the 15th of each month for the previous month's activity to:

Tom Atwell
Fannie Mae
3900 Wisconsin Avenue NW
Washington, DC 20016-2892

These reconciliation worksheets will allow for a more efficient review of these accounts by Fannie Mae in identifying potential problems. Specifically, our review of the Reverse Mortgage Custodial Account Analysis and the Servicer Portfolio Monthly Reconciliation will allow Fannie Mae to examine and ensure that:

1. Reverse mortgage funds are segregated from the lender's other loan proceeds and bank accounts (Custodial Account Analysis),
2. Any residual reverse mortgage balances are identified by loan number and proper supporting documentation is maintained (Custodial Account Analysis),
3. Loan count and loan balance discrepancies for new purchases are identified (Servicer Portfolio Monthly Reconciliation),
4. Loan count and loan balance discrepancies for liquidated loans are identified (Servicer Portfolio Monthly Reconciliation),
5. Discrepancies in the monthly accruals are identified (Servicer Portfolio Monthly Reconciliation), and
6. Proper lender review of the reconciliations takes place (both reconciliations).

December 7, 1998


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The terms of this letter modify the Fannie Mae Reverse Mortgage Selling and Servicing Guide. Lenders who are found to have violated knowingly the terms of this letter or the enclosed reconciliation requirements may be required to repurchase the applicable loan(s) or may become ineligible to deliver Reverse Mortgages to Fannie Mae in the future.

If you have any questions concerning the completion of these worksheets, please call Tom Atwell at (202) 752-2747.



3900 Wisconsin Avenue, NW
Washington, DC 20016-2892
phone 202 752 7000

DATE: December 21, 1998
TO: Reverse Mortgage Servicers
FROM: Tom Atwell 
Senior Business Manager, Senior Products
SUBJECT: New Reverse Mortgage Software
(Reverse Mortgage Letter 1998-9A)

We are pleased to announce the availability of a new technology tool that will provide improved and expanded services for our reverse mortgage servicers. By first quarter 1999, Fannie Mae will be converting from the MORNET[®] Housing Impact Servicing System (HISS) to the MortgageLinks[™] Shared Accounting and Reporting System (ShAReS[™]).

MortgageLinks ShAReS offers a variety of benefits for your reverse mortgages, including the ability to:

- view transaction level detail,
- access current and historical reports online, and
- upload bulk transactions.

For more information and to register for MortgageLinks ShAReS, please see the enclosed registration kit. **You must complete and return the registration forms by February 15, 1999 in order to continue working with reverse mortgages online.**

With this change, please note that you may need to upgrade your computer equipment to accommodate the MortgageLinks equipment requirements. Information on equipment requirements is also included in the registration kit in the enclosed *MortgageLinks Equipment Information* sheet.

NOTE: As the point of contact for your company, you may be the only recipient of this package. Please make copies to share with all MORNET HISS users in your organization.

If you have questions about MortgageLinks ShAReS, please contact Tom Atwell at (202) 752-2747 or by e-mail at thomas_m_atwell@fanniemae.com. If you have any questions about the MortgageLinks equipment requirements, please contact the MORNETPlus[®] Hotline at 1-800-758-7546, Monday through Friday from 8:00 a.m. to 8:00 p.m. eastern time.

Thank you.




FannieMae

3900 Wisconsin Avenue, N.W.
Washington, DC 20016-2892
phone 202 752 7000

DATE: December 21, 1998

TO: Reverse Mortgage Originators

FROM: Tom Atwell 
Senior Business Manager, Senior Products

SUBJECT: New Reverse Mortgage Software
(Reverse Mortgage Letter 1998-9B)

We are pleased to announce the availability of a new technology tool that will provide improved and expanded services for our reverse mortgage originators. By first quarter 1999, Fannie Mae will be converting from MORNET[®] LoanCalc to MORNETPlus[®] Reverse Mortgage Assistant.

MORNETPlus Reverse Mortgage Assistant offers a variety of benefits, including the ability to:

- enter information on five types of reverse mortgage payment plans,
- view a comparison of payouts between the FHA-insured Home Equity Conversion Mortgage (HECM) and Fannie Mae's Home Keeper[®] Mortgage, and
- export origination data to the MORNET Housing Impact Delivery System (HIDS).

For more information and to register for MORNETPlus Reverse Mortgage Assistant, please see the enclosed registration kit. **You must complete and return the registration forms by February 15, 1999 in order to continue to export your data to HIDS.**

With this change, please note that you may need to upgrade your computer equipment to accommodate the MORNETPlus equipment requirements. Information on equipment requirements is also included in the registration kit in the enclosed *MORNETPlus Equipment Information* sheet.

NOTE: As the point of contact for your company, you may be the only recipient of this package. Please make copies to share with all MORNET LoanCalc users (including correspondents) in your organization.

If you have questions about MORNETPlus Reverse Mortgage Assistant, please contact Tom Atwell at (202) 752-2747 or by e-mail at thomas_m_atwell@fanniemae.com. If you have any questions about the MORNETPlus equipment requirements, please contact the MORNETPlus Hotline at 1-800-758-7546, Monday through Friday from 8:00 a.m. to 8:00 p.m. eastern time.

Thank you.