



For Immediate Release

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Regulation Change by Fannie Mae to Affect Future Loan Sales
New Tax Verification Compliance Rules Implement September 1, 2009

SAN DIEGO CA, AUGUST 25, 2009 – Amid continued concerns over fraud and misrepresentation in the mortgage industry, Fannie Mae has tightened its compliance rules. Updated Fannie Mae policies regarding the use of IRS Forms 4506, 4506-T, and 8821 to validate borrower income documentation go into effect September 1, 2009. Lenders who fail to comply with the new policies run a high risk of failing to meet all of Fannie's updated underwriting guidelines and, as a result, will be unable to sell their loans to Fannie Mae.

Beginning September 1, Fannie Mae **will require** all lenders to:

- Obtain from the borrower(s) a completed and signed Form 4506-T at both loan application and closing
- Add the execution of Form 4506-T with the IRS (or designee) to the lender's written quality control plan
- Ensure that all loans selected for quality control review include the reconciliation of the tax transcript information with the income documents in the loan file

"The 4506-T policy change from Fannie Mae has been the subject of much debate since the June 2009 announcement," stated Will Dillard, Director of Operations at SettlementOne Credit Corporation. "While some have interpreted the announcement to mean that Fannie Mae only 'highly recommends' that transcripts are obtained from the IRS, the requirement states definitively that lenders must add the execution of the Form 4506-T with the IRS to their written quality control plan. Fannie Mae then goes on to further require that the reconciliation of the transcript information with the income documents in the loan file must be completed for all loans selected for the lender's quality control reviews."

SettlementOne's dynamic, automated tax verification service offers mortgage lenders a turnkey solution to address the new Fannie Mae requirements. The SettlementOne tax verification product removes the worry over Fannie Mae compliance and means more than simply receiving automated tax processing. You benefit from:

- An easy-to-use product built into the SettlementOne platform
- Up-to-the-minute online status reports
- A direct communication portal to our dedicated tax services representatives, who are focused strictly on tax services
- Seamless integration with the SettlementOne bundled menu of products and services

For more than a decade, lenders have benefited from SettlementOne's credit reporting, flood certification, AVM, appraisal, title, closing, and compliance solutions. SettlementOne's premier customer service, proven reliability, and innovative technology has provided clients with the resources and service needed to grow their organizations.

Visit www.settlementone.com today for more information on our menu of products and services.

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Your One Solution, Credit to Closing

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