



Announcement 07-13

July 25, 2007

Amends these Guides: Selling

Master Form and Short Form Mortgage/Deed of Trust Documents

In our continuing efforts to lower the costs of homeownership for all borrowers and gain greater efficiencies in the residential lending industry, Fannie Mae and Freddie Mac have jointly developed uniform master and short form security instruments for first mortgage loans. In states with statutes that allow for the use of master and short form security instruments, recording the new short form mortgage or deed of trust (“Short Form”), which can be one quarter the length of the current security instruments, can result in significant savings in closing costs. The new uniform master form mortgage or deed of trust (“Master Form”) and Short Form documents have been placed on www.efanniemae.com. Lenders may elect to deliver first mortgage loans to Fannie Mae using the approved Master Form and Short Form documents in lieu of the current version of the Fannie Mae/Freddie Mac uniform first mortgage security instruments.

Selling Guide: Part IV, Mortgage Documents; Chapter 1, Security Instruments; Section 102.01, First Mortgage Security Instruments; and Exhibit 1, Security Instruments for Regularly Amortizing First Mortgages

The current Fannie Mae Selling Guide states that lenders must use the most current version of the Fannie Mae/Freddie Mac uniform first mortgage security instruments. Exhibit 1 in the Selling Guide lists each security instrument by state and form number.

Many states now have statutes that allow originating lenders to record a Master Form in a given recording district and then to record a Short Form for any mortgage loan originated in that district after that time. The Master Form consists of a title page, which contains the state-specific requirements for a master security instrument, and the current long form uniform security instrument for that state. The Short Form contains the loan-specific information (e.g., borrower name, lender name, loan amount, description of property, etc.) and identifies the provisions of the Master Form that are being incorporated into the Short Form. Any applicable riders to the security instrument must be attached to the Short Form. The borrower signs the Short Form document and any applicable riders. The lender must provide the borrower with a copy of the recorded Master Form as well as the signed Short Form and applicable riders.

Fannie Mae has released on www.efanniemae.com the documents for 26 states (listed below), which have statutes that permit the use of a Master Form and Short Form.

Alaska	Connecticut	Maryland	North Dakota	Rhode Island
Arizona	Florida	Nebraska	Ohio	Tennessee
Arkansas	Idaho	Nevada	Oklahoma	Texas
California	Kentucky	New York	Oregon	Utah
Colorado	Maine	North Carolina	Pennsylvania	Washington
				Wyoming

The documents include a state-specific:

- Master Form that typically is comprised of a title page attached to the state-specific Fannie Mae/Freddie Mac Uniform Security Instrument. The Master Form must first be recorded in each county recorder's office in which the lender intends to record subsequent Short Forms, prior to recording Short Forms in such recording districts;
- Short Form that includes provisions that are specific to the individual loan transaction and incorporates by reference the provisions of the Master Form. The Short Form and all applicable riders must be executed by the borrower and recorded. The Short Form cannot be used unless a Master Form has already been recorded in the recorder's office serving the recording district in which the real property securing the mortgage loan is located; and
- Instructions for completing and using the Master Form and Short Form documents. These Master Form and Short Form instructions have been incorporated into the standard security instrument instructions.

Fannie Mae will post Master Form and Short Form mortgage and deed of trust documents for other states if they adopt the requisite statute(s). The addition of documents for other states will be announced on the News and Update page of the Legal Documents section of www.efanniemae.com.

Lenders should contact their Customer Account Team if they have any questions about this Announcement.

Michael A. Quinn
Senior Vice President
Single-Family Risk Officer