



State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

October 12, 2010

RE: Foreclosures and Loan Modifications

Dear Participating Servicers:

The State of New York Mortgage Agency (“SONYMA”) is concerned about recent news articles which state that affidavits used during foreclosure proceedings may have been inappropriately executed or executed without proper notarization. It is extremely important that SONYMA Servicers ensure that the legal rights of borrowers are protected and that the foreclosure process is completed properly and in accordance with SONYMA guidelines.

Other news articles have stated that servicers are temporarily halting all foreclosures until such time as servicers may re-examine the documents relating to these loans that are in the foreclosure process. If your institution has halted the foreclosure of any SONYMA loan, please contact us immediately and provide detailed loan-by-loan information regarding this process and the current status of any loan subject to this re-examination.

Lastly, as a reminder, and as stated in our June 15, 2010 letter to Servicers, SONYMA is **not** participating in the Federal government’s HAMP program. Servicers are to service mortgages in the manner described in SONYMA’s Servicer’s Guide, the Servicing Agreement, and subsequent Servicer bulletins. Servicers are not authorized to enter into modification agreements with borrowers that are contrary to our guidelines and without the consent of SONYMA, the mortgage insurer, or the pool insurer. Servicers are responsible for advising its representatives attending pre-foreclosure mandatory settlement conferences on behalf of SONYMA of the loss mitigation options that are available. SONYMA will allow a term extension of up to ten (10) years from the maturity date, not to exceed a forty (40) year term; however, SONYMA will **not** allow an interest rate or principal balance reduction.

We are confident that our servicers will continue to ensure that SONYMA servicing guidelines are adhered to. If you should have any questions regarding this notice, please feel free to contact Diane Sclafani, Servicing AVP, at 212-872-0397 or dsclafani@nyshcr.org.

Sincerely,

George M. Leocata
Senior Vice President
Single Family Programs