



NAMFS Trending Topic: Clear boarding: Clarifications, Allowables and Timelines

Rules, guidelines and municipal measures related to the use of clear boarding windows are ramping up. The National Association of Mortgage Field Services (NAMFS) began a conversation in February; publishing an article on this trending topic. The Association continues to obtain answers for its members as the default mortgage servicing industry adapts to evolving securing requirements. In response to industry inquiries, including a letter sent to Fannie Mae from NAMFS, both Fannie Mae (FNMA) and Freddie Mac (FHLMC) have issued updates to servicing guidelines and provided clarifications on the use of clear boarding.

Fannie Mae Clarifies Clear Board Requirements

In the April 12th Servicing Guide, Fannie Mae responded to industry requests for [clarification](#) and proposed changes to pre-foreclosure use of clear boarding. At the top of the list of changes is an increase of the allowable threshold, now \$185 for small sheets, described as 72 united inches (UI) or less, and for large sheets the allowable is \$285 per UI greater than 72. Clarifications were also made to the timeline for compliance. FNMA gives servicers, *“90 days from the effective date of March 29, 2017 to re-glaze/repair or clear board all unsecured and previously plywood boarded windows.”* Additionally, servicers have 7 days to re-glaze, repair or clear board a first time vacant property and 3 days to re-secure windows if the windows are compromised after the initial secure.

Fannie Mae prefers servicers re-glaze/repair windows, however, each servicer will have to review the allowables for both processes and determine the most cost effective measure to take when securing Fannie Mae properties. Keep in mind that Fannie Mae’s preference is for servicers to use a single strategy (clear boarding or re-glazing/repairing) to secure windows. Finally, Fannie Mae requires that *“if the property with re-glazed/repared windows is subsequently compromised, clear boarding must be used.”*

Exceptions and Restrictions to Alternate Securing Materials

There are two exceptions to the FNMA requirements for securing windows. First, properties that are severely damaged by fire and/or have a pre-demolition status are exempt. Second, non-window openings do not require clear board to be used for securing. Please note that Acrylic and Plexiglass are not acceptable alternatives to using clear board and vendors cannot utilize 2x4’s to brace clear board.

Freddie Mac Releases Statement on Reimbursement for Clear Boarding

On April 20th, 2017, Freddie Mac (FHLMC) released a [bulletin](#) outlining FHLMC allowables, general guidelines, and the process for managing reimbursement expenses associated with utilizing clear board. Stating a commitment to reducing neighborhood blight, Freddie Mac requires the use of clear board, *“... where needed and as required by local ordinance, on vacant and abandoned properties securing a Freddie Mac-owned or guaranteed mortgage.”* Furthermore, the bulletin states that clear boarding must be *“made of polycarbonate material or one of at least the same strength.”*

Freddie Mac will reimburse the use of clear boarding at \$2.25 per UI, with a maximum reimbursement set at \$2,000. Additionally, a request for pre-approval (RPA) is necessary when reimbursement costs exceed \$900. The update does not have the same specifics as Fannie Mae and only mentions a further update on how to process reimbursement expenses.

Please note the difference between the Freddie Mac bulletin and Fannie Mae guidelines on clear boarding windows. Fannie Mae is mandating the use of clear board (specifically, polycarbonate) in place of plywood (except when re-glazing or repairing windows occurs). Freddie Mac cites using clear board (or a material of equal strength) only when certain conditions apply.

News on Ohio's Ban on Plywood

The Ohio law banning the use of plywood to secure windows on vacant and abandoned properties went into effect April 6, 2017. NAMFS obtained clarification from state senator Michele [Lepore-Hagan](#) that clear board is only required on expedited foreclosures of vacant and unsecured properties. Additionally, Ohio municipalities are responsible for enforcement of the law and that currently there are no specific penalties for non-compliance.

There has been subsequent [language](#) added to the revised code, section 2808.31. *"The bill prohibits the use of plywood to secure real property that is deemed vacant and abandoned under continuing law; however the prohibition does not apply to persons that use or used plywood prior to the effective date of the bill."*

As more states contemplate enacting plywood bans similar to the Ohio law, NAMFS will continue to monitor and report on the industry's response to polycarbonate securing requirements, and the impact on field services providers.

Please send your questions, suggestions, or concerns to admin@namfs.org on this or any other topic affecting our industry.

Sources:

Fannie Mae

[Fannie Mae Single Family Servicing Guide 04-12-2016](#)

Freddie Mac

[Single Family Guide Bulletin 4/20/17](#)

Ohio House Bill 463

<https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-463>

Ohio Bill Co-sponsor statement

[statement](#)

[Sub HB 463](#)