1. Successors in interest. 1. If a servicer receives a loss mitigation application from a potential successor in interest before confirming that person's identity and ownership interest in the property, the servicer may, but need not, review and evaluate the loss mitigation application in accordance with the procedures set forth in §1024.41. If a servicer complies with the requirements of §1024.41 for a complete loss mitigation application submitted by a potential successor in interest before confirming that person's identity and ownership interest in the property, §1024.41(i)'s limitation on duplicative requests applies to that person, provided the servicer's evaluation of loss mitigation options available to the person would not have resulted in a different determination due to the person's confirmation as a successor in interest if it had been conducted after the servicer confirmed the person's status as a successor in interest.

   ii. If a servicer receives a loss mitigation application from a potential successor in interest and elects not to review and evaluate the loss mitigation application before confirming that person's identity and ownership interest in the property, the servicer must preserve the loss mitigation application and all documents submitted in connection with the application, and, upon such confirmation, the servicer must review and evaluate the loss mitigation application in accordance with the procedures set forth in §1024.41 if the property is the confirmed successor in interest's principal residence and the procedures set forth in §1024.41 are otherwise applicable. For purposes of §1024.41, the servicer must treat the loss mitigation application as if it had been received on the date that the servicer confirmed the successor in interest's status. If the loss mitigation application is incomplete at the time of confirmation because documents submitted by the successor in interest became stale or invalid after they were submitted and confirmation is 45 days or more before a foreclosure sale, the servicer must identify the stale or invalid documents that need to be updated in a notice pursuant to §1024.41(b)(2).

APPENDIX MS TO PART 1024—MORTGAGE SERVICING MODEL FORMS AND CLAUSES

2. Permissible changes. Servicers may make certain changes to the format or content of the forms and clauses and may delete any disclosures that are inapplicable without losing the protection from liability so long as those changes do not affect the substance, clarity, or meaningful sequence of the forms and clauses. Servicers making revisions to that effect will lose their protection from civil liability. Except as otherwise specifically required, acceptable changes include, for example:

   i. Use of “borrower” and “servicer” instead of pronouns.

   ii. Substitution of the words “lender” and “servicer” for each other.

   iii. Addition of graphics or icons, such as the servicer’s corporate logo.

   iv. Modifications to remove language that could suggest liability under the mortgage loan agreement if such language is not applicable. For example, in the case of a confirmed successor in interest who has not assumed the mortgage loan obligation under State law and is not otherwise liable on the mortgage loan obligation, this could include:

      A. Use of “the mortgage loan” or “this mortgage loan” instead of “your mortgage loan” and “the monthly payments” instead of “your monthly payments.”

      B. Use of “Payments due on or after [Date] may be sent to” instead of “Send all payments due on or after [Date] to” in notices of transfer.

      C. Use of “We will charge the loan account” instead of “You must pay us” in notices relating to force-placed insurance.

PART 1025 [RESERVED]