



OLDE KEY TITLE

RESIDENTIAL AND COMMERCIAL CLOSING SERVICES SINCE 1982

## MEMORANDUM

From: Olde Key Title

Date: December 22, 2009

Re: "Fannie Mae Anti-Flip Restriction on REO Conveyances"

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"Fannie Mae has begun requiring agents who market its REO to include provisions in sales contracts that certain anti-flip language will be included in deeds. The language may vary, but is generally along the following lines:

'Grantee herein shall be prohibited from conveying captioned property to a bona fide purchaser for value for a sales price of greater than (\$ \_\_\_\_\_ = 120% of sales price) for a period of one hundred and eight (180) days from the date of this deed. Grantee shall also be prohibited from encumbering subject property with a security interest in the amount greater than (\$ \_\_\_\_\_ = 120% of sales price) for a period of one hundred and eighty (180) days from the date of this deed. These restrictions shall run with the land and are not personal to Grantee.'

*Source:* Fidelity National Title Insurance Company and Lawyers Title Insurance Company's Bulletin MD-918, dated July 9, 2009