

In Case You Missed It 2024

A summary of *Selling Guide*, *Servicing Guide*, and other policy communications

What you need to know

This document summarizes recent *Selling Guide*, *Servicing Guide*, and related policy updates, clarifications, or other supporting communications. It provides links to related resources as applicable. **Looking for last year's policy updates? Review the [final 2023 ICYMI](#).**

We made many of these changes and communications in direct response to lender feedback requesting that we simplify or clarify policies or processes.

How to read this document



Most recent up top

The most recent items are listed first in the table below.



Quick reference

These Lender Letters, published before 2024, are still in effect:

- [LL-2023-07](#): COVID-19 Payment Deferral and Fannie Mae Flex Modification for COVID-19 Impacted Borrowers
- [LL-2023-03](#): Impact of COVID-19 on Servicing
- [LL-2021-10](#): Expanding Refinance Eligibility with RefiNow™



Acronyms and abbreviations

CU: Collateral Underwriter® (CU®)

DU/DO: Desktop Underwriter® (DU®) and/or Desktop Originator® (DO®)

LL: Lender Letter (reinforces existing policy or describes temporary policies)

SEL: *Selling Guide* Announcement

SVC: *Servicing Guide* Announcement



Look for what's most relevant to you

- Appraisals
- Loan Delivery
- Risk Management/Quality Control
- Servicing Servicing-specific publications are also highlighted with a gray background.
- Technology
- Underwriting
- Other

Fannie Mae's *Selling* and *Servicing Guides* and their updates, including *Guide* announcements and release notes, are the official statements of Fannie Mae's policies and procedures and control in the event of discrepancies between the information provided in this summary and the *Guides*.





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| 8 | Selling Notice (04/15/2024) | <div></div> Real Estate Commissions and Interested Party Contributions | <p>We are aware of the proposed settlement agreement, subject to court approval, announced by the National Association of REALTORS® (NAR) in the <i>Burnett et al</i> and <i>Moehrl et al</i> cases. While there are no immediate changes to our <i>Selling Guide</i> policies, we are clarifying the current treatment of seller-paid real estate agent fees under our interested party contributions (IPCs) policy.</p> |
| 7 | LL-2023-05 (03/13/2024) | <div></div> Advance Notice of Changes to Master Servicing Processes and Systems | <p>Updates policies published in LL-2021-12 on Dec. 14, 2022, with the following changes noted below. It provides advance notice of upcoming changes to our Master Servicing processes and systems. These changes further simplify and streamline servicer reporting and will be introduced in a phased approach. These changes are not applicable to reverse mortgage loans.</p> <ul style="list-style-type: none"> Removes the topic <i>Streamline Investor Reporting with LSDU and Master Servicing Portfolio Manager Self-Serve Capabilities</i>, which has been incorporated into the <i>Servicing Guide</i> or Investor Reporting Manual as of December 2023. Communicates an updated target effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans. |
| 6 | SVC-2024-02 (03/13/2024) | <div></div> Loan Modification Agreement* | <p>Updates the Loan Modification Agreement (Form 3179) with additional instructions in response to New York's Foreclosure Abuse Prevention Act and the instructional provision related to MERS</p> <p>*Policy change not applicable to reverse mortgage loans</p> |
| | | <div></div> Miscellaneous updates | <ul style="list-style-type: none"> Evaluation Notices* <p>*Policy change not applicable to reverse mortgage loans</p> |
| 5 | SEL-2024-02 (03/06/2024) | <div></div> DU validation service | <p>Expands the DU validation service to allow income and employment validation using an asset verification report</p> |

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| 4 | SVC-2024-01 (02/14/2024) | ■ Property insurance requirements** | Clarifies servicer responsibilities related to monitoring and verification of property insurance coverage **Policy change applies only to Home Keeper® loans and is not applicable to HECM mortgage loans. |
| | | ■ Miscellaneous updates | <ul style="list-style-type: none"> • Flood insurance* • Remote online notarization requirements* *Policy change not applicable to reverse mortgage loans |
| 3 | SEL-2024-01 (02/07/2024) | ■ Value acceptance + property data for condos | Expands value acceptance + property data offering to include attached and detached condos as an eligible property type and other clarifications |
| | | ■ Qualifying rate for 7- and 10-year ARMs | Clarifies policy that lenders must qualify 7- and 10-year ARM borrowers at no less than the note rate for loans that are not high-priced mortgage loans or higher-priced covered transactions |
| | | ■ Manufactured housing cash-out refinance term extensions | Allows loan term up to equal to 30 years on cash-out refinance transactions for multi-width manufactured homes |
| | | ■ Eligible types of nontraditional credit references | Adds additional examples of nontraditional credit references related to housing expenses |
| | | ■ Use of business income | Clarifies income calculation requirements for self-employed borrowers and borrowers with less than a 25% interest in a business |
| | | ■ Property insurance requirements | Provides various clarifications for coverage requirements |
| | | ■ Mortgage originations definitions | Updates existing and adds new language to address the mortgage origination definition in the Glossary |
| | | ■ Miscellaneous updates | <ul style="list-style-type: none"> • Unacceptable Appraisal Practices • National Flood Insurance Program lapse |

■ Appraisals
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■ Other

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| | | | <ul style="list-style-type: none"> Borrowers' signatures on notes |
| 2 | LL-2024-01 (01/24/2024) |  HomeReady Product Enhancement | To address some of the barriers to entry for very low-income purchase borrowers, we are offering a temporary \$2,500 loan-level price adjustment credit on our HomeReady® loan product. This credit can be used for down payment and closing costs on loans delivered after March 1, 2024. |
| 1 | DU for Government Loans Release Notes (01/20/2024) |  DU for government loans | During the weekend of Jan. 20, 2024, Desktop Underwriter® (DU®) for government loans will be updated to support FHA and VA changes. |