

Selling Guide Updates

The *Selling Guide* has been updated to include changes to the following topics:

- Reporting of Rental Income
- Concurrent Servicing Transfers

Each of the updates is described below. The affected topics (and specific paragraphs) are noted for each policy change. Lenders should review each topic to gain a full understanding of the policy changes. The updated topics are dated September 27, 2011.

Reporting of Rental Income

The *Selling Guide* has been updated with regard to the following:

Documentation of gross monthly rent for Fannie Mae reporting purposes: Fannie Mae requires lenders to report gross monthly rent (“eligible rents”) in the loan delivery data for all investment properties and two- to four-unit principal residence properties. In instances when rental income is not being used for qualifying purposes, Fannie Mae is providing additional clarity regarding the acceptable documentation that may be used to obtain rental income amounts for the purpose of reporting gross monthly rent.

Requirement for Form 1007: Fannie Mae is removing the requirement for the *Single-Family Comparable Rent Schedule* (Form 1007) for manually underwritten loans when rental income is not being used to qualify the borrower. (The lender may still provide the Form if needed to support reporting of gross monthly rent.)

Net rental income and subject net cash flow for DU loans: Because the documentation and calculation requirements are generally the same for Desktop Underwriter® (DU®) loans and manually underwritten loans, redundant text was removed from the DU rental income topic and replaced with links to the applicable rental income topic.

Effective Date

These changes are effective immediately.

Updated *Selling Guide* Topics

- [A3-4-02](#), Data Quality and Integrity (Delivery Data, Reporting of Gross Monthly Rent)
- [B3-3.2-07](#) Rental Income (Eligible Properties, Associated Policies, Calculating Monthly Net Rental Income (or Loss))
- [B3-3.4-03](#), Income From Rental Property
- [B4-1.2-06](#), Appraisal Forms and Report Exhibits (Exhibits for Appraisals with Interior and Exterior Property Inspections, Exhibits for Appraisals with Exterior-Only Property Inspections)

Concurrent Servicing Transfers

Topic [A2-1-03](#), Indemnification for Losses, has been updated to reflect a more comprehensive description of liabilities that arise in connection with mortgage loans or the servicing of them prior to the delivery of the mortgage loans to Fannie Mae.



Topic [A3-3-02](#), Concurrent Servicing Transfers (Servicer Eligibility Criteria, Servicing Assignment Contract), has been revised to refer lenders to the Fannie Mae *Servicing Guide* for information concerning Fannie Mae's servicer eligibility criteria that apply to a lender that becomes a Fannie Mae servicer. Also, requirements pertaining to the contract between the selling lender and its transferee servicer were revised to help ensure the clarity and comprehensiveness of Fannie Mae's concurrent servicing transfer policies.

A reference in [A3-3-05](#), Custody of Mortgage Documents (Release of Custodial Documents), which referred to [A3-3-02](#), has been updated to refer lenders to the *Servicing Guide* and *Requirements for Document Custodians* for information concerning transferring documents to a different document custodian.

Effective Date

These changes are effective immediately.

Lenders who have questions about this Announcement should contact their Customer Account Team.

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