

Summary of COVID-19 Selling Policies

February 15, 2023

Temporary Policy	Original Effective Date of Temporary Policy	Current Status of Temporary Policy
Sale of loans aged six months or less: Additional requirement that loans sold on a flow basis be no more than 6 months old to be eligible for sale. Exception permitted for HomeStyle® Renovation loans that can be up to 15 months provided the renovation is completed before loan delivery.	May 5, 2020	Permanent policy. Will be added to the Selling Guide in a future update.
Verification of self-employment: Requires lenders to confirm the existence of the borrower's business within 120 days prior to the note date and confirm that the borrower's business is open and operating within 20 business days of the note date (or after closing but prior to delivery).	Loan applications starting on Apr. 14, 2020	Retired February 15, 2023
Temporary eligibility requirements for purchase and refinance transactions: Requires lenders to obtain additional documentation to confirm the status of all outstanding mortgage tradelines given impact to credit reporting from the CARES Act.	Loan applications starting on Jun. 2, 2020	Retired February 15, 2023
Suspension of bulk transactions	May 5, 2020	Retired July 6, 2022
<p>Requirements for borrowers using self-employment income to qualify:</p> <ul style="list-style-type: none"> • Adds additional documentation and income analysis requirements for self-employed borrowers. • A YTD P&L (audited or unaudited) with a minimum of 3 months reported. If unaudited, also 3 months business depository account statements. <p>Also requires adjustment to business income calculation and clarifies SBA PPP are not considered business assets.</p>	<p>Loan applications starting on Jun. 11, 2020</p> <p>Updated to require 3 rather than 2 bank statements with an unaudited P&L starting with loan applications on Dec. 14, 2020</p>	Retired for loans in process and new applications as of Feb. 2, 2022, with tax returns dated 2020 or 2021
Appraisal report flexibilities: Allow a desktop or exterior-only appraisal for certain transactions, based on loan purpose, LTV, occupancy and whether Fannie Mae-owned.	Mar. 23, 2020	Retired for applications after May 31, 2021
Completion reports (Form 1004D): Allows alternatives when a Form 1004D cannot be obtained due to COVID-19.	Mar. 23, 2020	Retired for applications after May 31, 2021
New construction – desktop appraisal: allow desktop appraisal for purchase transactions subject to certain limitations. <i>This pertains to the temporary COVID-19 desktop appraisal policy.</i>	Mar. 23, 2020	Retired for applications after May 31, 2021
Verbal verification of employment flexibility: Permit an email from the employer's work email address, a year-to-date paystub from the pay period immediately preceding the note date, or a bank statement to evidence the borrower's active employment at time of loan closing.	Mar. 23, 2020	Retired effective for loans with application dates after Apr. 30, 2021
New construction – completion certificate alternatives: allow use of a Completion of Construction Certification in lieu of Form 1004D.	Apr. 14, 2020	Retired for applications after May 31, 2021



Powers of attorney: Flexibilities for the use of a power of attorney <i>Replaced with updated Selling Guide policy that incorporated some, but not all, of the prior flexibilities effective March 3, 2021.</i>	March 31, 2020	Retired effective for loans with application dates after Apr. 30, 2021
Age of documentation: Modifies our age of document requirements from four months to two months for most income types and for assets, including single close C to P.	Loan applications starting on Apr. 14, 2020	Retired effective Aug. 11, 2021
Income and employment - age of employment and income data from third parties: employment and income verification data from third party verification database is no more than 60 days as of the note date.	Loan applications starting on Apr. 14, 2020	Retired effective Aug. 11, 2021
Assets: market-based asset documentation: Updates policies for use of stocks, stock options, and mutual funds for down payment, closing costs, and reserves.	Loan applications starting on Apr. 14, 2020	Retired effective Aug. 11, 2021
HomeStyle Renovation loans in forbearance: Allow renovation draws while loan is in an active forbearance status.	Mar. 31, 2020	Retired effective May 31, 2021
Condo project reviews – waiver of review: waives project reviews for Fannie Mae-owned, owner-occupied limited cash-out refinances up to 90% and added a requirement to evaluate for litigation.	Apr. 14, 2020	Retired for applications after Apr. 30, 2021
Condo project reviews – budget requirements: provide flexibilities for obtaining the budget from the HOA and other documentation alternatives.	Apr. 14, 2020	Retired for applications after Apr. 30, 2021
Employment validation by DU validation service (DVS): Temporary suspension of employment validation with rep and warrant relief through the DU validation service.	New DU casefiles created starting on May 4, 2020	Retired effective for DU casefiles submitted or resubmitted on or after Sept. 18, 2021
Recourse removal for HomeStyle Renovation loans: Lender may request recourse to be removed on non-delinquent loans upon documentation of completion of renovations for a loan that was subject to a forbearance that meets certain criteria.	May 28, 2020	Retired effective for loans with application dates after May 31, 2021
HomeStyle Renovation: Flexibilities for inspection requirements for draws and completion using the Completion of Construction Certification for HomeStyle Renovation loans in process.	Jul. 9, 2020	Retired effective for loans with application dates after May 31, 2021

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 document and the *Guides*.

NOTE: *This document does not contain all content published in the Lender Letters, such as reminders and quality control requirements (applicable in 2020).*

References

[Lender Letter LL-2021-03](#)
[Lender Letter LL-2020-03](#)

[Lender Letter LL-2021-04](#)
[Lender Letter LL-2020-04](#)