



Selling Guide Announcement (SEL-2024-04)

June 5, 2024

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

- [Builder standby commitment fees](#): adding Special Feature Code 887 for loans delivered using a standby commitment
- [Closing costs definition](#): updating glossary definition of closing costs to include items related to the real estate and financing transactions
- [HomeReady® housing counseling LLPA credit](#): expanding timeframes for completion of counseling and eliminating Form 1017
- [Retirement of Form 2200](#): retiring the requirement for a completed Form 2200 at loan delivery
- [Miscellaneous update](#):
 - Private transfer fees

View the list of [impacted topics](#).

Builder standby commitment fees

Standby commitment fees, also known as forward commitments, are fees a builder pays to a lender before entering into a sales contract with a borrower. These fees are not subject to our interested party contribution limits because they are not attributable to the specific loan transaction. In our effort to identify loans with a reduced interest rate due to a standby commitment, lenders are required to use Special Feature Code (SFC 887) upon delivery of the loan to us.

Effective: Lenders are encouraged to implement this change immediately but must do so for all loans with application dates on and after September 4, 2024.

Closing costs definition

We updated the definition of closing costs in the *Selling Guide* glossary to include items related to the real estate and financing transactions as follows:

Amounts paid in connection with the closing, typically itemized under “Closing Cost Details” on the Closing Disclosure. These generally include:

- loan-related amounts such as origination fees, discount points, title exam, lender’s title insurance, appraisal fees, and prepaid items such as taxes and insurance escrow payments; and
- other costs, such as owner’s title insurance, real estate agent commissions, inspections, and transfer taxes.

Effective: Lenders may take advantage of this update immediately.



HomeReady housing counseling LLPA credit requirements

HomeReady borrowers who complete housing counseling may be eligible for a \$500 loan-level price adjustment (LLPA) credit when the loan is delivered with SFC 184. With this update we are:

- expanding the timeframe to allow borrowers to complete housing counseling within 12 months prior to loan closing to be eligible for the LLPA credit,
- requiring the housing counseling information to be submitted to DU, and
- retiring the *Certificate of Completion of Housing Counseling* (Form 1017).

The lender must retain a copy of the certificate of course completion in the loan file and deliver the loan with SFC 184. These changes will allow borrowers additional flexibility to complete housing counseling.

Effective: Desktop Underwriter® (DU®) will be updated the weekend of July 20, 2024 to provide new messaging when the data associated with the housing counseling portion of the *Supplemental Consumer Information Form* ([Form 1103](#)) has been provided. In addition, Loan Delivery will issue new edits based on delivery of SFC 184.

Retirement of Form 2200

In response to lender and industry feedback regarding the *Shared Equity Amendment* (Form 2200) for shared equity properties with income and resale price restrictions, we have eliminated the requirement for an executed and recorded Form 2200. All references to Form 2200 have been removed from the *Selling Guide*.

Effective: Lenders may take advantage of this policy change immediately. All references to the form will be removed from the *Servicing Guide* in a future update.

Miscellaneous update

Private transfer fees: Updated [B2-1.5-02, Loan Eligibility](#) and [B5-5.3-02, Shared Equity Transactions: General Requirements](#), to align with FHFA's final rule amending the Private Transfer Fee Regulation (12 CFR Part 1228). The amendment includes an additional exception to allow the purchase of loans that meet the shared equity loan program requirements for Resale Restriction Programs in FHFA's Duty to Serve Underserved Markets Regulation, without regard to any household income limit.

Lenders may contact their Fannie Mae Account Team if they have questions about this Announcement.
Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated June 5, 2024)
Builder standby commitment fees	<ul style="list-style-type: none">▪ B3-4.1-03, Types of Interested Party Contributions (IPCs)
Closing cost definition	<ul style="list-style-type: none">▪ E-3-03, Acronyms and Glossary of Defined Terms: C
HomeReady housing counseling LLPA credit	<ul style="list-style-type: none">▪ B2-2-06, Homeownership Education and Housing Counseling▪ B5-6-01, HomeReady Mortgage Loan and Borrower Eligibility▪ B5-6-02, HomeReady Mortgage Underwriting Methods and Requirements▪ B5-6-03, HomeReady Mortgage Loan Pricing, Mortgage Insurance and Special Feature Codes
Retirement of Form 2200	<ul style="list-style-type: none">▪ B5-5.3-02, Shared Equity Transactions: General Requirements▪ B5-5.3-03, Shared Equity Transactions: Eligibility, Underwriting and Collateral Requirements