

Selling Guide Announcement (SEL-2025-02)

April 2, 2025

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

- [Condo Project Manager™ and Desktop Underwriter® integration](#): combines CPM and DU technology
- [New York Mortgage Insurance requirements on co-ops](#): clarifying how to calculate the loan-to-value ratio when determining the mortgage insurance for transactions on co-op properties in New York State
- [Income Calculator Schedule E rental income](#): clarifying the use of Income Calculator and calculations for rental income reported on Schedule E
- [Miscellaneous update](#):
 - Desktop Underwriter Version 12.0 and *Selling Guide* alignment

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

Condo Project Manager and Desktop Underwriter integration

Condo Project Manager (CPM™) is integrating with Desktop Underwriter (DU®) to provide greater certainty to lenders when projects have been approved by Fannie Mae. This will streamline the lender's project review process for most transactions.

In connection with this integration, we updated our policy to allow loans that receive an Approve/Eligible recommendation and the CPM *Approved by Fannie Mae* message in DU to retain the Fannie Mae project approval status through the credit report expiration date as specified on the DU Underwriting Findings report. When the lender makes changes in DU to the credit report, the CPM ID, project name, or property address (state or zip code), DU will retrieve an updated project eligibility status from CPM which could result in the loss of the CPM *Approved by Fannie Mae* message. CPM delivery restrictions still apply to loans that have received the CPM *Approved by Fannie Mae* message in DU, and these will affect the loan's eligibility, when applicable.

For loans not underwritten through DU, or loans that do not receive the CPM *Approved by Fannie Mae* status message in DU, the lender must underwrite the condo project eligibility in accordance with standard *Selling Guide* requirements.

Additionally, we clarified delivery restrictions apply to Limited Reviews.

As a reminder, the lender is required to adhere to all insurance requirements in *Selling Guide Chapters B7-3 and B7-4*, regardless of any Fannie Mae project eligibility status.

Effective: Lenders are encouraged to implement the changes related to delivery restrictions immediately but must do so for all loans with application dates on or after June 23, 2025. The changes related to CPM messaging in DU will apply to new DU loan casefiles created on or after June 23, 2025.



New York Mortgage Insurance requirements on co-ops

We clarified how to calculate the loan-to-value (LTV) ratio when determining mortgage insurance for purchase transactions on co-op properties in New York State. This includes using the sales price without adjustment for excessive interested party contributions (IPCs) when determining whether to place mortgage insurance on the loan.

We also clarified if mortgage insurance is required based on the sales price, but the appraised value results in an LTV ratio of 75% or less, mortgage insurance should not be added to the loan, even if the sales price is lower than the appraised value.

Effective: These clarifications are effective immediately.

Income Calculator Schedule E rental income

We updated our policy to clarify the Income Calculator is not limited to income types documented using tax returns. It now also includes calculations for rental income reported on Schedule E.

Effective: These clarifications are effective immediately.

Miscellaneous update

[B2-1.3-01, Purchase Transaction](#), [B2-1.3-02, Limited Cash-Out Refinance Transactions](#), and [B5-6-01, HomeReady Mortgage Loan and Borrower Eligibility](#): We made additional miscellaneous changes to align Guide text with updates previously communicated in the Desktop Underwriter/Desktop Originator [Release Notes](#) DU Version 12.0 and *Selling Guide* Announcement [SEL-2025-01](#). The [Eligibility Matrix](#) was also updated to reflect the aligned changes.

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 April 02, 2025)
Condo Project Manager and Desktop Underwriter integration	<ul style="list-style-type: none">▪ B4-2.1-01, General Information on Project Standards▪ B4-2.1-03, Ineligible Projects▪ B4-2.2-01, Limited Review Process▪ B4-2.2-02, Full Review Process
New York Mortgage Insurance requirements on co-ops	<ul style="list-style-type: none">▪ B3-4.1-02, Interested Party Contributions (IPCs)▪ B7-1-01, Provision of Mortgage Insurance
Income Calculator Schedule E rental income	<ul style="list-style-type: none">▪ B3-3.1-08, Rental Income▪ B3-3.1-10, Income Calculator