Fannie Mae®

Selling Guide Announcement (SEL-2026-10)

Nov. 4, 2026

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

- Accessory Dwelling Units in condo projects: expanding housing opportunities through accessory dwelling units in condo projects
- Occupancy requirements: clarifying existing policy to establish clearer lender expectations and reduce misinterpretation of owner occupancy requirements
- Community Seconds and grants: reorganizing content to provide additional clarity and consistency
- Miscellaneous updates:
    - VantageScore® 4.0
    - Premium Recapture

View the list of impacted topics.

Accessory dwelling units in condo projects

We are expanding property eligibility criteria to allow Accessory Dwelling Units (ADUs) in eligible condo projects. This update supports increased housing opportunities and recognizes the growing role of ADUs in expanding housing supply, enhancing affordability, and providing greater flexibility for homeowners and communities.

The UAD 3.6 Policy Supplement has been updated to reflect these changes.

Effective: Lenders may take advantage of this update immediately.

Occupancy requirements

We clarified existing policy by aligning the occupancy classification language in the *Selling Guide* to the occupancy language in the security instruments. This policy clarification provides greater transparency into the occupancy requirements of a principal residence and a second home, potentially reducing the number of occupancy misrepresentation defects.

Effective: Lenders may take advantage of these clarifications immediately.

Community Seconds and grants

We clarified eligibility requirements for Community Seconds providers and lender responsibilities for reviewing Community Seconds programs and refined the Community Seconds Checklist to reflect these clarifications.

Effective: Lenders may take advantage of these clarifications immediately.

Miscellaneous updates

B3-5.1-01, General Requirements for Credit Scores: We incorporated Lender Letter LL-2026-06, *VantageScore 4.0 Broad Lender Availability*, into the *Selling Guide*. In addition, we have extended use of VantageScore 4.0 to manually underwritten loans as well as loan casefiles underwritten through DU Version 12.1.

C1-1-01, Execution Options: We updated our premium recapture policy for whole loans. Effective immediately, for any whole loan that pays off within 120 days from the purchase date and had a net negative LLPA (including national and loan-specific adjustments), the required reimbursement to Fannie Mae will be the negative LLPA plus a 50 basis points processing fee.

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 *Selling Guide* Topics (Dated Nov. 04, 2026)
Accessory Dwelling Units in condo projects	▪ B2-3-04, Special Property Eligibility Considerations ▪ B4-2.1-03, Ineligible Projects
Occupancy requirements	▪ B2-1.1-01, Occupancy Types
Community Seconds and grants	▪ B3-4.3-06, Grants and Lender Contributions ▪ B5-5.1-01, Community Seconds ○ Community Seconds Loan Eligibility (DELETED) ▪ B5-5.1-02, Community Seconds: Shared Appreciation Transactions