



From the Desk of Carlos Perez
Chief Credit Officer for Single-Family

January 30, 2018

Executive Overview of *Selling Guide* Updates

In our January *Selling Guide* announcement, we're making changes that will provide more certainty for your business and more simplicity for your borrowers. These updates:

- **Make it easier for borrowers with income tax debt to qualify for a mortgage.** We're providing more flexibility for borrowers who are making regular payments to the IRS on delinquent federal income taxes. A borrower's monthly payments can now be included in their debt-to-income ratio and they won't be required to pay off the debt prior to the loan closing.
- **Make it easier to finance detached condos.** For detached condo units, we will no longer require project reviews and will allow construction-to-permanent financing, making it simpler for lenders to finance detached condos.
- **Expand minor litigation criteria for condos and co-ops.** We've added more flexibility to our minor litigation criteria for condo and co-op projects, enabling more of these projects to be eligible for financing.
- **Remove field review requirements for properties valued at \$1,000,000 or more.** Lenders are no longer required to obtain a field review on certain properties valued at \$1,000,000 or more. Advancements in technology – especially Collateral Underwriter® – provide the data and analytics we need, so we are simplifying by removing this lender requirement while still managing risk.
- **Align second appraisal requirements with industry standards.** If a lender obtains two appraisals for a property, they can now choose the most reliable appraisal, instead of being required to use the second one. This change aligns with the Appraiser Independence Requirements and provides consistency across the industry.
- **Enhance Form 360.** We've updated Form 360, *Certificate of Authority, Incumbency, and Specimen Signatures*, to simplify the process for allowing individuals to act on behalf on sellers and servicers. The new form must be used by all sellers and servicers by March 1.

See [Announcement SEL-2018-01](#) for more details.

I hope that 2018 brings you and your business much success. Thank you for your continued support as we work to make the coming year even more simple and certain than the last!

Carlos Perez