



From the Desk of Malloy Evans
Chief Credit Officer for Single-Family

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Executive Overview of *Selling Guide* Updates

Today's *Selling Guide* update:

- **Implements changes related to tax reform legislation.** We updated policies that reference specific IRS tax forms that have been updated as a result of the Tax Cuts and Jobs Act. This includes new references to Schedule 1, filed as part of IRS Form 1040 effective with reporting of 2018 income for tax filing purposes.
- **Updates requirements for acceptable title insurers.** We removed prescriptive ratings for acceptable title insurers. Lenders must now ensure that title insurers are authorized and licensed to issue title insurance in the state where the property is located. Further, lenders must evaluate title insurers according to their own approval procedures.
- **Simplifies URLA (Form 1003) requirements.** We removed the requirement that the initial Form 1003 must be signed by the borrower and retained in the loan file, with certain exceptions.
- **Provides guidance on the purchase of certain LIBOR ARM loans.** We updated the *Guide* to include changes related to the purchase and securitization of certain LIBOR ARM loans (as announced in [LL-2019-05](#)).
- **Introduces a new special feature code (SFC) for loans with remotely notarized documents.** We will require SFC 861 for delivery of loans with remote notarization as part of an electronic notarization, effective Sept. 1, 2019, and it may be used immediately.

[Announcement SEL-2019-05](#) details these updates.

Thank you for your continued partnership!

Malloy Evans