

In Case You Missed It

A Summary of *Selling Guide* and Policy Communications

This job aid summarizes recent *Selling Guide* and related policy updates, clarifications, or other supporting communications. It provides links to related resources as applicable.

We made many of these changes and communications in direct response to lender feedback requesting that we simplify or clarify policies or processes.

How to read this guide



Most Recent Up Top

The most recent items are listed first in the chart below.



Know Your Abbreviations

CU: Collateral Underwriter® (CU®)

DU/DO: Desktop Underwriter® (DU®) and/or Desktop Originator® (DO®)

LL: Lender Letter (reinforces existing policy or provides related information)

SEL: *Selling Guide* Announcement

New Framework Homeownership Education Course URL

Did you know that the Framework homeownership education course fee is now being waived? Borrowers must use the [new Framework homeownership education website](#) to receive the fee waiver when registering for the course. If borrowers register through other websites, they may be charged the non-refundable \$75 fee.



Without Data Standards, the Mortgage Industry Doesn't Go Digital

[Read our white paper](#) about the importance of data standards as the mortgage industry moves to innovate and deliver the experience today's borrowers want.



Look for What's Most Relevant to You

- Appraisals
- Loan Delivery
- Risk Management/Quality Control
- Servicing
- Technology
- Underwriting
- Other



Keep an Eye on Day 1 Certainty



Look for the icon for updates related to **Day 1 Certainty**®.



#	Publication (Date)	Topic	Description / Resources
53	Selling and Servicing Notice (12/16/2019)	<ul style="list-style-type: none"> Taxpayer First Act and Use of Tax Return information – UPDATE 	A provision of the Taxpayer First Act includes a provision that persons receiving tax return information from the IRS after Dec. 28 must obtain the express permission of taxpayers prior to disclosing that return information to any other person. This Notice replaces the Notice issued Nov. 6, 2019.
52	SEL-2019-09 (12/04/2019)	<ul style="list-style-type: none"> Calculating the Monthly Real Estate Tax Payment 	Clarified that lenders are required to use a reasonable estimate of the real estate taxes based on the market value of the land and completed improvements for all purchase and new construction transactions.
51		<ul style="list-style-type: none"> Non-Applicant Debt Clarification 	Consolidated the non-applicant accounts policy in a single topic that applies to both DU and manually underwritten loans.
50		<ul style="list-style-type: none"> Bridge Loans in Monthly Debt Obligations 	Addressed when a bridge loan must be included (and when it can be excluded) from monthly debt obligations.
49		<ul style="list-style-type: none"> Titling Manufactured Homes 	Published information on titling manufactured homes as real property. Titling Manufactured Homes as Real Property
48		<ul style="list-style-type: none"> Waiver of Assignments for Properties in Puerto Rico 	Removed the requirement for assignments of mortgages for loans in Puerto Rico.
47		<ul style="list-style-type: none"> Simplification of Capital Markets Processes 	Made enhancements to: <ul style="list-style-type: none"> MBS Settlement Flexibility Seller Activation for Servicing Execution Tool™ (SET™) or Servicing Marketplace® MBS Trading Portal Terms and Conditions
46		<ul style="list-style-type: none"> Fidelity Bond and Errors and Omissions Reporting Mailbox 	Updated the <i>Selling Guide</i> to include a mailbox for approved sellers/servicers to report fidelity bond and errors and omissions events to us. Fidelity Bonds and Errors and Omissions Reporting mailbox
45		LL-2019-09 (11/26/2019)	<ul style="list-style-type: none"> Conventional Loan Limits for 2020

■ Appraisals
 ■ Loan Delivery
 ■ Risk Management/Quality Control
 ■ Servicing
 ■ Technology
 ■ Underwriting
 ■ Other



44	LL-2019-08 (11/20/2019)	<ul style="list-style-type: none"> Approved Mortgage Insurance Forms 	Guidance on updated mortgage insurers' master primary policies and related endorsements and other forms.
43	DU/DO Release Notes 10.3 (updated 11/07/2019)	<ul style="list-style-type: none"> DU/DO Version 10.3 	<p>The changes in this release include the following:</p> <ul style="list-style-type: none"> Construction-to-Permanent Financing for Manufactured Homes Homeownership Education Requirements Social Security Number Verification Message Account Number Display Updates to Align with the <i>Selling Guide</i> DU Validation Service Enhancements
42	Selling and Servicing Notice (11/06/2019)	<ul style="list-style-type: none"> Taxpayer First Act and Use of Tax Return information 	A provision of the Taxpayer First Act that becomes effective Dec. 28 requires persons receiving tax return information to obtain express taxpayer permission to share return information with any other third parties. This was updated by a Selling and Servicing Notice issued Dec. 16.
41	SEL-2019-08 (10/02/2019)	<ul style="list-style-type: none"> Homeownership Education Requirements 	Updated homeownership education requirements, including waiving the fee for the Framework online course for lenders beginning Oct. 23.
40		<ul style="list-style-type: none"> Employment Offers and Contract Policies 	Clarified eligibility policies for a borrower who has not yet started employment but has an offer or contract to start a job. These policies are now based on the documentation the lender can provide instead of the timing of the borrower's start date.
39		<ul style="list-style-type: none"> Rental Income Policy 	Revised requirements for when rental income can be used as part of the loan qualification process. We provide specific lender guidelines to determine the amount of rental income from the subject property that can be used for qualifying purposes.
38		<ul style="list-style-type: none"> Anti-money Laundering Activity Requirements 	Established general requirements for reporting anti-money laundering activity to Fannie Mae, regardless of whether the seller/servicer is subject to the anti-money laundering provisions of the Bank Secrecy Act (BSA).
37	Announcement (08/08/2019)	<ul style="list-style-type: none"> Uniform Residential Loan Application (URLA) Mandate 	Postponed Feb. 1, 2020 mandate; new requirements provided.

■ Appraisals
 ■ Loan Delivery
 ■ Risk Management/Quality Control
 ■ Servicing
 ■ Technology
 ■ Underwriting
 ■ Other



36	SEL-2019-07 (08/07/2019)	■ Lender Quality Control Processes	Updated lender QC process requirements to provide more clarity and flexibility.
35		■ C-to-P Financing for MH	Introduced construction-to-permanent financing for manufactured homes.
34		■ Appraisal Waiver Eligibility	Clarified appraisal waiver eligibility for refinance transactions. Removed the requirement that the borrower name on the loan casefile and prior appraisal must match.
33		■ Removal of DU Refi Plus™ / Refi Plus™ References	Removed all references to Refi Plus™ options, which are being retired. Also updated the <i>Eligibility Matrix</i> accordingly.
32	Selling Notice (07/11/2019)	■ SOFR ARM Whitepaper	Described a framework for the use of the Secured Overnight Financing Rate (SOFR) for newly originated consumer ARM products and Fannie Mae’s intent to create a SOFR-indexed ARM product before the cessation of LIBOR.
31	SEL-2019-06 (07/03/2019)	■ HomeReady® Income Limits	Changed income limit requirements for HomeReady loans — borrower income not to exceed 80% of area median income (AMI) for the property’s location.
30		■ Compliance with Office of Foreign Assets Control Regulations	Clarified requirements for complying with U.S. Department of Treasury OFAC regulations regarding loan servicing.
29		■ Use of IRS Form 4506-T	Removed the requirement for a signed IRS Form 4506-T for any borrower whose income is not being used to qualify for the loan.
28		■ Definition of Relocation Loans	With the transition to UMBS and in alignment with Freddie Mac, updated our definition of a relocation loan.
27		■ Reminder of Disaster ■ Policies	Reminded lenders of <i>Selling Guide</i> topics and other resources containing disaster policies and requirements.
26	LL-2019-06 (06/05/2019)	■ Upcoming HomeReady and DU Updates	Announced upcoming changes to <i>Selling Guide</i> policy and DU, including: <ul style="list-style-type: none"> Updated income limit requirements for all HomeReady loans not to exceed 80% AMI for the property’s location. Updated DU eligibility assessment effective for new loan casefiles submitted on or after July 20, 2019.

■ Appraisals
 ■ Loan Delivery
 ■ Risk Management/Quality Control
 ■ Servicing
 ■ Technology
 ■ Underwriting
 ■ Other



25	Selling Notice (06/05/2019)	<ul style="list-style-type: none"> ■ Acceptability of Private Flood Insurance 	Issued guidance on the federal private flood insurance rule.
24	SEL-2019-05 (06/05/2019)	<ul style="list-style-type: none"> ■ Changes Related to Tax Reform Legislation 	Updated policy to align with changes made to 2018 IRS forms.
23		<ul style="list-style-type: none"> ■ Requirements for Acceptable Title Insurers 	Simplified requirements for acceptable title insurers.
22		<ul style="list-style-type: none"> ■ URLA (Form 1003) Requirements 	Removed the requirement that the initial Form 1003 must be signed by the borrower and retained in the loan file and clarified applicable exceptions.
21		<ul style="list-style-type: none"> ■ Purchase of LIBOR Adjustable-Rate Mortgage Loans 	Incorporated LL-2019-05 into <i>Selling Guide</i> policy.
20	DU/DO Release Notes 10.3 (05/21/19)	<ul style="list-style-type: none"> ■ DU/DO Version 10.3 (07/20/2019) 	<p>The changes in this release include:</p> <ul style="list-style-type: none"> • DU Validation Service Enhancements • HomeReady Updates • DU Eligibility Assessment • Support of the Redesigned Uniform Residential Loan Application (Form 1003) (deferred) • Accounts impacted by a Natural Disaster • Rural Housing Loan Message • Updates to Align with the <i>Selling Guide</i>
19	LL-2019-05 (05/17/2019)	<ul style="list-style-type: none"> ■ Purchase of LIBOR ARMS 	Established new seasoning requirements for the purchase or securitization all LIBOR ARM loans to be no later than six months from the first payment date of the loan.
18	SEL-2019-04 (05/01/2019)	<ul style="list-style-type: none"> ■ Uniform Mortgage-Backed Securities 	<p>Implemented changes to prepare for the Single Security initiative by:</p> <ul style="list-style-type: none"> • Adding references to UMBS, where appropriate; and • Incorporating updates related to changes in interest rate spreads and servicing fees as previously announced in LL-2019-03.

■ Appraisals
 ■ Loan Delivery
 ■ Risk Management/Quality Control
 ■ Servicing
 ■ Technology
 ■ Underwriting
 ■ Other



17		<ul style="list-style-type: none"> ■ Removal of Designated Document Custodian 	Removed all references to Fannie Mae’s designated document custodian (DDC) and full-service certification custodian (FCC) because all Fannie Mae-approved custodians are now equipped to certify all types of loans.
16		<ul style="list-style-type: none"> ■ Electronic Transactions 	<p>Clarified the following:</p> <ul style="list-style-type: none"> • Texas Section 50(a)(6) loans are not eligible for remote notarization. • Added a reference that products requiring special purpose legal documents are not eligible for delivery as eMortgages.
15	LL-2019-04 (04/08/19)	<ul style="list-style-type: none"> ■ Loan Level Price Adjustment for Second Homes 	Implemented a 25 basis point (0.250%) loan level price adjustment for loans secured by second homes with LTV ratios greater than 85%.
14	SEL-2019-03 (04/03/2019)	<ul style="list-style-type: none"> ■ HomeReady® Mortgage Loans 	<p>Updated HomeReady policies to include the following:</p> <ul style="list-style-type: none"> • a maximum limit of two financed properties, including the subject property; • a clarification that a boarder may not have ownership interest in the property; and • an explanation that HomeReady loans combined with HomeStyle® Renovation loans may be delivered with the lower level of mortgage insurance coverage permitted for HomeReady. <p>HomeReady web page</p>
13		<ul style="list-style-type: none"> ■ Self-Report Process 	<p>Removes references to the self-reporting email box to align with a new self-reporting process in Loan Quality Connect™.</p> <p>Loan Quality Connect web page</p>
12		<ul style="list-style-type: none"> ■ Multiple Servicers for Fannie Majors® 	Provided additional flexibility to lenders delivering into Fannie Majors by allowing multiple servicer numbers per seller number.
11	DU/DO Release Notes 10.3 (01/28/19)	<ul style="list-style-type: none"> ■ DU/DO Version 10.3 (03/23/2019) 	<p>The changes in this release include the following:</p> <ul style="list-style-type: none"> • DU Validation Service Enhancements • HomeReady AMI Determination • Disaster Message Change


■ Appraisals
 ■ Loan Delivery
 ■ Risk Management/Quality Control
 ■ Servicing
 ■ Technology
 ■ Underwriting
 ■ Other



			<ul style="list-style-type: none"> • DU Underwriting Findings Report Updates • Updates to Align with the <i>Selling Guide</i>
10	Selling Notice (03/11/19)	<ul style="list-style-type: none"> ■ Forward Trading of UMBS 	Announced that Fannie Mae will begin accepting forward trades from approved trading counterparties, with a trade date on or after March 12, 2019, and with settlement dates on or after June 3, 2019.
9	SEL-2019-02 (03/06/19)	<ul style="list-style-type: none"> ■ Eligibility Requirements for Manually Underwritten Loans 	Made corresponding updates to eligibility requirements for manually underwritten loans with recent adjustments to Desktop Underwriter® (DU®) Version 10.3. View the updated Eligibility Matrix for details.
8		<ul style="list-style-type: none"> ■ Leasehold Estates 	Clarified lender responsibilities for leasehold estates.
7		<ul style="list-style-type: none"> ■ Mortgage Electronic Registration System (MERS) 	Consolidated shared policies for sellers and servicers related to the use of Mortgage Electronic Registration Systems (MERS), Inc. into the <i>Selling Guide</i> . All duplicative information has been removed from the <i>Servicing Guide</i> .
6	LL-2019-03 (03/05/19)	<ul style="list-style-type: none"> ■ Interest Rate Spread for Fixed-Rate MBS and Servicing Fee Requirements for Fixed-Rate Loans 	Changed the allowable interest rate (note) spread in fixed-rate Mortgage-Backed Securities (MBS) and the maximum servicing fee permitted for fixed-rate loans to support the upcoming implementation of the Uniform Mortgage-Backed Security (UMBS™).
5	SEL-2019-01 (02/06/19)	<ul style="list-style-type: none"> ■ Loan Quality Connect™ 	Provided process updates related to the implementation of Loan Quality Connect. Removed references to the Quality Assurance System (QAS) from the <i>Selling Guide</i> . Loan Quality Connect web page
4		<ul style="list-style-type: none"> ■ Cost of Funds Index (COFI) Retirement 	Eliminated references to the COFI and associated adjustable-rate mortgage plans.
3		<ul style="list-style-type: none"> ■ Requirements for Postponed Improvements 	Clarified requirements for escrow accounts to fund postponed improvements.
2	DU/DO Release Notes 10.3	<ul style="list-style-type: none"> ■ DU/DO Version 10.3 (03/23/2019) 	The changes in this release include: <ul style="list-style-type: none"> • DU Validation Service Enhancements

■ Appraisals
■ Loan Delivery
■ Risk Management/Quality Control
■ Servicing
■ Technology
■ Underwriting
■ Other



	(01/28/19)		<ul style="list-style-type: none">• HomeReady AMI Determination• Disaster Message Change• DU Underwriting Findings Report Updates• Updates to Align with the <i>Selling Guide</i>
1	LL-2019-02 (01/16/19)	 Impact of Federal Government Shutdown (Selling)	Provided guidance on selling policies related to the federal government shutdown.