

Selling Guide Announcement SEL-2012-06

June 26, 2012

Selling Guide and Other Updates

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

- Uniform Loan Delivery Dataset Terminology
- Volume Limitations
- Private Transfer Fee Covenants

In addition, the following documents published on eFannieMae.com have been updated:

- *Acceptable Conventional Mortgage Insurers and Related Delivery Codes*
- *Special Feature Codes*

Each of the updates is described below. The affected *Selling Guide* topics are also identified below. The updated topics are dated June 26, 2012.

Uniform Loan Delivery Dataset Terminology

Under the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac adopted a common set of loan delivery data requirements known as the Uniform Loan Delivery Dataset (ULDD). On April 23, 2012, Fannie Mae launched a new Loan Delivery application to support the ULDD requirements mandated for all loans with an application received date on or after December 1, 2011, and delivered to Fannie Mae on or after July 23, 2012.

This *Selling Guide* update incorporates new ULDD terminology and removes references to the *2000-Character Loan Delivery Field Format* and related *Field Definitions for the 2000-Character Loan Delivery File Format*. These references have been replaced with references to the “Loan Data Delivery Requirements,” which link to the *Fannie Mae Implementation Guide for Loan Delivery Data, Appendix A: Fannie Mae XML Data Requirements* published on eFannieMae.com. There are a number of resources available on eFannieMae.com pertaining to the ULDD requirements, however Appendix A describes all of the data points, allowable values, conditionality (required, conditionally required, optional), and correlation back to the 2000-character file format. Lenders are encouraged to review all of the material available on the [Loan Delivery Data Requirements](#) page on eFannieMae.com.

Examples of updates made to the *Selling Guide* include the deletion of B2-1.3-01, Loan/Amortization Types Overview, which clarified the distinction between two terms, one of which has been retired. “Loan Type” has been replaced with “Mortgage Type” in the ULDD terminology. Another example of a change to terminology is “Credit Score ID” is now known as “Credit Repository Source.” None of the updates made to the *Selling Guide* for ULDD represent policy changes.

NOTE: *Although the Selling Guide contains a number of specific references to delivery requirements, it does not describe all data elements and delivery requirements that lenders must comply with. As such, lenders must refer to the resource material on eFannieMae.com for complete information, including but not limited to, the Implementation Guide for Loan Delivery Data and all Appendices.*

In addition, the title of the *Acceptable Conventional Mortgage Insurers and MI Codes for Loan Delivery* has been changed to *Acceptable Conventional Mortgage Insurers and Related Delivery Codes*, and a minor change in terminology was also made to the document.

Updated Selling Guide Topics

Following are the topics where significant updates were made:

- [A3-4-02](#), Data Quality and Integrity (Sources for Further Information)
- [B2-1.3-04](#), Refinanced Balloon Mortgages (Loan Delivery Data)
- [B3-5.1-01](#), General Requirements for Credit Scores (Delivering the Credit Score to Fannie Mae)
- [B3-5.1-02](#), Determining the Representative Credit Score for a Mortgage Loan (Foreign Credit Reports and Credit Scores)
- [B4-2.1-04](#), Project Identification and Document Retention (Proper Project Identification and Documentation Retention)
- [B4-2.2-02](#), Limited Review Process for Attached Condo Units (Mortgage Delivery Requirements)
- [B4-2.2-08](#), Project Eligibility Review Service (Mortgage Delivery Requirements)
- [B4-2.2-09](#), Condo Project Manager (CPM) Expedited Review for New and Established Condo Projects (Delivering Loans With CPM)
- [B5-1.1-02](#), High Balance Pricing, Mortgage Insurance, Special Feature Codes, and Delivery Limitations (Delivery Data Requirements Including Special Feature Codes)
- [B5-5.2-04](#), DU Refi Plus and Refi Plus Closing, Pricing, and Delivery (Delivery Data Elements)
- [B6-1-01](#), General Government Mortgage Requirements (Mortgage Payments and Delivery of Government Mortgages)
- [B7-1-04](#), Financed Borrower-Purchased Mortgage Insurance (Financed Mortgage Insurance Requirements and Delivery Requirements)
- [C1-2-02](#), Loan Data and Documentation Delivery Requirements (Electronic Submission via Loan Delivery, Loan Delivery Application Resources, Required Data Elements and Post-Purchase Delivery of Additional Data Elements, Special Feature Codes, and Documentation Requirements)
- [C3-7-04](#), Delivering Data and Documents (MBS Pool Data Delivery Requirements, MBS Pool Document Delivery Requirements, As Soon As Pooled Plus Mortgage Loan Deliveries and Redeliveries as As Soon As Pooled Plus Pools, and Delivering Interest-Only Fixed-Rate Mortgages)

Refer to the *Selling Guide* for other topics with minor ULDD updates dated June 26, 2012.

Effective Date

These changes are effective immediately.

Volume Limitations

The *Mortgage Selling and Servicing Contract* (MSSC) establishes the basic legal relationship between the lender and Fannie Mae, including but not limited to, the terms and conditions of the sale of mortgages to Fannie Mae. Section III, D of the MSSC contains a provision that Fannie Mae has no obligation to make a commitment to purchase any mortgage or participation interest from the lender. The *Selling Guide* is being updated to further clarify that Fannie Mae may

- establish, amend, or cancel any mortgage loan volume limitations specific to a lender, which may be applicable to whole loan and MBS deliveries and sales; or
- decline to engage in any specific transaction with a lender.

Refer to the *Selling Guide* for additional information about this policy.

Updated Selling Guide Topic

[C1-1-01](#), Execution Options (Volume Limitations)

Effective Date

These clarifications are effective immediately.

Private Transfer Fee Covenants

The policies announced in SEL-2012-05, *Private Transfer Fees Covenants*, have been incorporated into the *Selling Guide*.

Updated Selling Guide Topic

[B2-1.4-02](#), Mortgage Loan Eligibility (Private Transfer Fee Covenants)

Effective Date

Refer to SEL-2012-05 for information regarding effective dates.

Reorganization of Document Custodian Information

In this *Selling Guide* update, certain topics related to document custodians, such as eligibility, operations, reporting, and status have been retitled and reorganized to appear in chronological order and together with similar themes. No policies have been changed. Also, references to the affected topics and sections have been updated throughout the guide.

Note that the *Selling Guide* will be updated in August to align with Announcement SVC-2012-08, *New Document Custodian Requirements*, in which Fannie Mae announced new requirements for document custodians with respect to monthly quality control review processes and annual compliance audits. This future update is being timed to be closely aligned with the effective date of the policies in SVC-2012-08.

Reorganized Selling Guide Topics

[A3-3-04](#), Document Custodians

[A3-3.1-01](#), (New title) Operational Requirements for all Document Custodians

[A3-3.1-02](#), (New title) Document Custodian Reporting Requirements; Active and Inactive Status

A3-3.1-03, Annual Certification of Document Custodians (topic has been retired and contents moved to A3-3.1-02)

Miscellaneous Selling Guide Updates

- [Subpart B1](#), Loan Application Package (Introduction). The details concerning the acceptable forms of verification were removed from this subpart in the May 2012 *Selling Guide*. Therefore, the introductory text has been revised to more accurately reflect the contents of the subpart.


- B1-1-02, Acceptable Forms of Verification. This topic has been retired because the contents were duplicated elsewhere in the *Selling Guide*.
- B2-1.3-01, Loan/Amortization Types Overview. This topic has been retired because the contents were duplicated elsewhere in the *Selling Guide*.
- [B2-2-03](#), Multiple Financed Properties for the Same Borrower (Underwriting and Delivery Requirements for Investor and Second Home Borrowers with Five to Ten Financed Properties). The guide text has been updated to reflect the policy change made in the May 2012 *Selling Guide*: rental income from other properties owned by the borrower must be supported by the most recent signed federal income tax return instead of two years of returns.
- [B3-3.1-01](#), General Income Information (Determining the Need for Federal Income Tax Returns). This topic states that the lender must obtain copies of the borrower's signed federal income tax returns filed with the IRS for the past two years for certain sources of income or employment. The text has been clarified for the following:
 - If the borrower receives rental income from an investment property, only one year of tax returns is required unless the borrower meets one or more of the other conditions on the list. (This was a policy change announced in the May 2012 *Selling Guide*.)
 - The entry in the list for interest and dividend income was updated to reflect that tax returns are required if this income is used to qualify (tax returns are not required if the borrower receives this income but does not use it to qualify).
- [B4-1.2-06](#), Appraisal Forms and Report Exhibits (Exhibits for Appraisals with Interior and Exterior Property Inspections), and E-2-07, Post-Closing Mortgage Loan File Documentation (Post-Closing Review File Submission Documentation). These two topics have been updated to remove references to the *Operating Income Statement* (Form 216), which is no longer required per the May 2012 *Selling Guide*.
- [B5-5.2-01](#), DU Refi Plus and Refi Plus Eligibility (Occupancy and Property Eligibility). A link to B5-5.2-02, DU Refi Plus and Refi Plus Underwriting Considerations, has been added to this section for leasehold estate requirements.
- [B5-5.2-03](#), DU Refi Plus and Refi Plus Property Valuation and Project Standards. This topic was updated to reflect the changes made on May 22, 2012 to Appendix A of the [Desktop Originator/Desktop Underwriter Release Notes, DU Version 8.3 April Update](#), regarding use of the estimated property value returned by DU.

Effective Date

These updates are effective immediately.

Updated Special Feature Codes

The definition for SFC 10 Non-Poolable Special Loan/Product Type has been updated to remove the reference to mortgage loans with LTV ratios above 105%. (Refi Plus™ and DURP™ are eligible for pooling with LTV ratios in excess of 105%).



Lenders who have questions about this Announcement should contact their Account Team.

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