

***Selling Guide* Announcement SEL-2014-04**

May 6, 2014

Unemployment Benefits Eligibility for DU Refi Plus™ and Refi Plus™ Loans

As a result of lender inquiries and after consultation with the Federal Housing Finance Agency, Fannie Mae is updating its policy requirements relating to the treatment of unemployment benefits for DU Refi Plus and Refi Plus mortgage loans. Unemployment benefits constitute a type of public assistance income that may, at the lender's option, be used in qualifying an applicant. However, current guidelines for DU Refi Plus and Refi Plus mortgage loans may be interpreted to restrict that consideration to seasonal unemployment benefits only. Effective immediately, unemployment benefits may be used in qualifying an applicant for a DU Refi Plus or Refi Plus loan whether they are seasonal or non-seasonal.

As with other income sources and documentation requirements for DU Refi Plus and Refi Plus mortgage loans, lenders are not required to establish a minimum history of receiving income or make a determination that the income can be expected to continue for at least three years. The *Selling Guide* will be updated at a later date to incorporate these changes.

Fannie Mae's guidelines for all loans other than DU Refi Plus or Refi Plus loans remain unchanged, including the provision in *Selling Guide*, B3-3.1-09, Other Sources of Income, that prevents consideration of non-seasonal unemployment benefits. Although unemployment benefits are a type of public assistance, only seasonal unemployment benefits may be used for loans other than DU Refi Plus or Refi Plus loans, due to the inherent inability of non-seasonal unemployment benefits to meet the three-year continuity of income requirement (*Selling Guide*, B3-3.1-01, General Income Information).

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

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