



Selling Guide Announcement SEL-2019-04

May 1, 2019

Selling Guide Updates

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

- Uniform Mortgage-Backed Securities
- Removal of Designated Document Custodian
- Electronic Transactions
- Miscellaneous *Selling Guide* Updates

Each of the updates is described below. The affected topics for each policy change are listed on the Attachment. The *Selling Guide* provides full details of the policy changes. The updated topics are dated May 1, 2019.

Uniform Mortgage-Backed Securities

In further preparation of the implementation of the Single Security initiative, we are updating the *Selling Guide* to include references to TBA-eligible Uniform Mortgage-Backed Securities (UMBS), where applicable. Changes to the Guide include the following:

- a new definition of UMBS to the glossary; and
- an explanation of the structured transaction “Supers,” or the pass-through securities backed by groups of existing UMBS or other existing Supers.

We also made updates to reflect the changes to interest rate spreads and servicing fees as previously announced in [LL-2019-03](#). For additional information on the forward trading of UMBS, you may also refer to this [Selling Notice](#).

In addition to these UMBS updates, we added a reference to the availability of lenders’ MBS trade details via Fannie Mae’s electronic trading platform and removed outdated policies regarding stated-structure ARM MBS.

Effective Date

These changes are effective June 3, 2019 with the implementation of UMBS.

Removal of Designated Document Custodian

We are updating the Guide to remove all references to Fannie Mae’s designated document custodian (DDC) and full-service certification custodian (FCC) as now all Fannie Mae-approved custodians are equipped to certify all types of loans. Each custodian arrangement must be evidenced by the execution of a *Master Custodial Agreement* ([Form 2017](#)). Because of these changes, there will no longer be a difference in the data and document correction process for different custodians. Lenders may choose to opt in to receive email notices via Loan Delivery when their document custodian discovers data or document discrepancies. As a reminder, it is still the lender’s responsibility to work with the custodian to ensure all discrepancies are resolved.

In addition to these changes, we are updating contact information for requests to transfer loans from one custodian to another (outside of a servicing transfer) and removed out-of-date information from the List of Contacts.



Effective Date

For those lenders that have not yet converted to Form 2017, Form 2003 and Form 2010 will be retired by the end of the third quarter 2019.

Electronic Transactions

We have updated the Guide to clarify the following:

- Texas Section 50(a)(6) loans are not eligible for remote notarization.
- In alignment with the *Guide to Delivering eMortgages*, we are adding a reference that products that require special purpose legal documents are not eligible for delivery as eMortgages.

Effective Date

These changes are effective immediately.

Miscellaneous Selling Guide Updates

B2-1-01, Occupancy Types: This topic was updated to align with the recent changes announced in Lender Letter LL-2019-04, Loan Level Price Adjustments for Second Homes.

B2-3-05, Properties Affected by a Disaster: Minor edits were made to this topic to align with the Desktop Underwriter® (DU®) 10.3 updates.

B3-6-02, Debt-to-Income Ratios: We added a reference to high LTV refinance transactions to align with existing DTI policy.

B5-5.3-02, Loans with Resale Restrictions: Loan and Borrower Eligibility: Reverted an erroneous edit to occupancy requirements.

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

Malloy Evans
Senior Vice President and
Chief Credit Officer for Single-Family



Attachment

| Section of the Announcement | Updated <i>Selling Guide</i> Topics |
|--|--|
| Uniform Mortgage-Backed Securities | <ul style="list-style-type: none"> ▪ C2-1.1-05, Servicing Fees ▪ C3-1-01, General Information About Fannie Mae's MBS Program ▪ C3-2-01, Determining Eligibility for Loans Pooled into MBS ▪ C3-3-03, Buying Up and Buying Down the Guaranty Fee for MBS ▪ C3-4-01, Term-Related Fixed-Rate Mortgage Pooling Parameters ▪ C3-4-02, Commingling Fixed-Rate Mortgages in MBS (DELETED) ▪ C3-5-01, Creating Stated Structure ARM MBS (DELETED) ▪ C3-5-02, Stated Structure ARM MBS Pooling Process (DELETED) ▪ C3-5-04, Pooling ARMs with a Conversion Option ▪ C3-6-01, Parameters for Pooling Loans Into Fannie Majors ▪ C3-7-02, Initiating an MBS Sale ▪ C3-7-03, Making Good Delivery ▪ E-3-13, Glossary of Fannie Mae Terms: M ▪ E-3-21, Glossary of Fannie Mae Terms: U |
| Removal of Designated Document Custodian | <ul style="list-style-type: none"> ▪ A3-3-04, Document Custodians ▪ A3-3-05, Custody of Mortgage Documents ▪ C1-2-01, General Information on Delivering Loan Data and Documents ▪ C2-1.2-03, Best Effort Commitment Terms, Amounts, and Other Requirements ▪ C2-2-02, Documentation Requirements for Whole Loan Deliveries ▪ C2-2-03, General Information on Whole Loan Purchasing Policies ▪ C2-2-04, Timing of Distribution of Whole Loan Purchase Proceeds ▪ C3-1-02, Preparing to Pool Loans into MBS ▪ C3-7-04, Delivering MBS Pool Data and Documents ▪ C3-7-06, Settling the Trade ▪ E-1-02, Acronyms and Abbreviations ▪ E-1-03, List of Contacts ▪ E-2-01, Required Custodial Documents |



| Section of the Announcement | Updated <i>Selling Guide</i> Topics |
|-----------------------------|---|
| Electronic Transactions | <ul style="list-style-type: none">▪ A2-5.1-03, Electronic Records, Signatures, and Transactions▪ B5-4.1-03, Texas Section 50(a)(6) Loan Underwriting, Collateral, and Closing Considerations▪ B8-5-01, General Information on Special-Purpose Legal Documents |