



Selling Guide Announcement (SEL-2025-05)

July 2, 2025

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

- [Review requirements for condo and co-op project eligibility](#): updating project standards policies for properties that are terminating or involved in insolvency proceedings
- [Compliance with laws](#): clarifying reporting requirements related to anti-money laundering for non-Bank Secrecy Act regulated entities
- [Desktop Underwriter® loan casefiles archival policy and resubmission](#): extending the DU® loan casefile archival period to 540 days and the resubmission timeframe to 18 months for single-close construction-to-permanent transactions
- [Lender incentives](#): removing the dollar limit for lender incentives
- [Miscellaneous updates](#):
 - Remote Notarization Indicator
 - DU Version 12.0 and *Selling Guide* alignment

In addition, an update to the following is described in this Announcement:

- [List of approved mortgage insurers and approved mortgage insurance forms](#): incorporates changes to these third-party companies and related forms

View the list of [impacted topics](#).

Review requirements for condo and co-op project eligibility

In consultation with FHFA, we have worked together with Freddie Mac to update our project review requirements to include projects that are terminating or involved in insolvency proceedings as ineligible projects.

These requirements apply to all loans secured by units in condo projects and all cooperative share loans secured by share ownership in a co-op project regardless of the project review type. The requirements also apply to loans eligible for a waiver of project review.

Effective: Lenders are encouraged to incorporate these policy changes into their project review process immediately but must comply with these changes for all new loan applications dated on or after Sept. 30, 2025. However, if the lender becomes aware of any of these actions prior to the required implementation date, it must apply the new policy immediately and notify Fannie Mae's Project Standards team within five business days.

Compliance with laws

We have clarified our compliance with laws policy specific to the Bank Secrecy Act (BSA) and anti-money laundering (AML)-related requirements for seller/servicers.

With this clarification, if a seller/servicer is not subject to the BSA's AML provisions, it must establish a suspicious activity identification program that consists of internal policies, procedures, and controls to identify and report to Fannie Mae suspicious



activity, including mortgage fraud, money laundering, terrorist financing, and related crimes. A suspicious activity identification program must have the following elements:

- a designated individual that oversees the program;
- written policies, procedures, and internal controls effectuating the program;
- program training for relevant personnel; and
- testing to assess the program's effectiveness.

For seller/servicers subject to the BSA's AML provisions, we have also clarified that Fannie Mae may request to review relevant policies, procedures and controls.

Effective: Sellers and seller/servicers are encouraged to take advantage of this policy clarification immediately but must do so by October 2, 2025.

Desktop Underwriter Loan Casefiles Archival Policy and Resubmission

Desktop Underwriter Loan Casefile Archival Policy

The DU loan casefile archival policy has been updated specifically for single-closing construction-to-permanent (C-to-P) transactions. Loan casefiles submitted to DU with a Construction-to-Permanent Closing Type of Single-Closing will now be archived 540 days after the original casefile creation date, regardless of activity. This change eliminates the previous requirement to resubmit a loan casefile prior to 270 days of inactivity to maintain an active loan casefile.

Creation of DU Loan Casefile for Resubmission

In addition, for single-closing C-to-P transactions, when a DU loan casefile has been archived, the timeframe for creation of a new DU loan casefile for resubmission purposes has been extended to 18 months (previously 12 months) after the initial closing of a single-closing C-to-P transaction. There are no changes to all other conditions.

Effective: Lenders may take advantage of the resubmission policy change immediately. The update to the archival policy will be made on the weekend of July 19, 2025.

Lender incentives

We have revised our policy and removed the maximum dollar amount for lender incentives.

Effective: Lenders may take advantage of this change immediately.

Miscellaneous Updates

Remote Notarization Indicator: We updated [A2-4.1-03, Electronic Records, Signatures, and Transactions](#) to align with the [ULDD Phase 5 Specification Release](#). If the remotely notarized document is a security instrument or amendment to the security instrument, the loan must be delivered with the Remote Notarization Indicator flag.



DU Version 12.0 and Selling Guide alignment: We updated [B5-1-01, High-Balance Mortgage Loan Eligibility and Underwriting](#) to align Guide text with updates previously communicated in the Desktop Underwriter/Desktop Originator [Release Notes](#) DU Version 12.0 and *Selling Guide* Announcement [SEL-2025-01](#).

List of approved mortgage insurers and approved mortgage insurance forms

We updated [Approved Mortgage Insurers and Related Identifiers](#) to remove the previously approved mortgage insurers, which were provided for historical reference only, and to put the remaining list in alphabetical order. Additionally, we updated [Approved Mortgage Insurance Forms](#) to add or revise each mortgage insurer's Illinois Endorsement or Notice, revise Radian's Signatory Change Endorsement, and delete two of Radian's Address Change Endorsements.

Lenders may contact their Fannie Mae Account Team if they have questions about this Announcement.
Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated July 02, 2025)
Review requirements for condo and co-op project eligibility	<ul style="list-style-type: none">▪ B4-2.1-02, Waiver of Project Review▪ B4-2.1-03, Ineligible Projects▪ B4-2.3-02, Co-op Project Eligibility
Compliance with laws	<ul style="list-style-type: none">▪ A3-2-01, Compliance With Laws
Desktop Underwriter loan casefiles archival policy and resubmission	<ul style="list-style-type: none">▪ B3-2-01, General Information on DU
Lender incentives	<ul style="list-style-type: none">▪ B3-4.1-03, Lender Incentives