



Selling Guide Announcement (SEL-2025-06)

Aug. 06, 2025

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

- [Co-op share loan and Project Eligibility Waivers policy updates](#): updating multiple requirements pertaining to co-op project eligibility and the Project Eligibility Waiver process
- [Miscellaneous updates](#):
 - Reminder of disaster-related forbearance options
 - Capital Markets Operations information

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

Co-op share loan and Project Eligibility Waivers policy updates

The *Selling Guide* has been updated to include changes to the co-op project eligibility requirements and the Project Eligibility Waiver (PEW) process.

Co-op project eligibility requirements:

- Negative cash flow allowance: Co-op projects may now be eligible with up to 5% negative cash flow, provided the deficit results from isolated and non-recurring circumstances.
- Mortgage Maturity: Co-ops with underlying mortgages maturing within three months are eligible if refinance terms are secured or the mortgage will be paid off prior to maturity.
- Subordinate financing: Permitted for principal residences with LTV/CLTV/HCLTV ratios up to 90%.
- Geographic requirements: Location-specific eligibility criteria have been removed.

Effective: Co-op approved lenders may take advantage of these policy updates immediately.

Project Eligibility Waiver process

The PEW process is being retired, and lenders will no longer be permitted to submit new PEW requests. Loans associated with existing, valid PEWs must be delivered by the waiver's expiration date. No extensions will be granted. Lenders may continue to use the Project Eligibility Review Service (PERS) for special projects that do not meet all our standard eligibility requirements.

We encourage all lenders to review their current pipeline and ensure timely delivery of loans with active PEWs to avoid disruptions.

Effective:

- New PEW submissions will no longer be accepted after September 1, 2025.
- Desktop Underwriter® (DU®) will be updated the weekend of September 27, 2025, to support subordinate financing.



Miscellaneous updates

Reminder of disaster-related forbearance options: As previously noted in LL-2023-08, we have updated [A2-3.2-02, Enforcement Relief for Breaches of Certain Representations and Warranties Related to Underwriting and Eligibility](#), to include payment deferral as an eligible loss mitigation option to bring the loan current following a disaster-related forbearance.

Capital Markets Operations information: We removed business hours from [C2-1.2-01, Best Efforts Commitment Process](#) and updated all contact information for our Capital Markets teams in [E-1-02, List of Contacts](#).

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 Aug. 06, 2025)
Co-op share loan and Project Eligibility Waivers policy updates	<ul style="list-style-type: none">▪ B2-1.2-04, Subordinate Financing▪ B4-2.1-01, General Information on Project Standards▪ B4-2.1-03, Ineligible Projects▪ B4-2.2-07, Projects with Special Considerations▪ B4-2.3-02, Co-op Project Eligibility▪ B4-2.3-04, Loan Eligibility for Co-op Share Loans▪ B4-2.3-05, Geographic-Specific Co-op Project Considerations [Deleted Topic]▪ B5-7-01, High LTV Refinance Loan and Borrower Eligibility