

In Case You Missed It 2024

A summary of *Selling Guide*, *Servicing Guide*, and other policy communications

What you need to know

This document summarizes recent *Selling Guide*, *Servicing Guide*, and related policy updates, clarifications, or other supporting communications. It provides links to related resources as applicable. **Looking for last year's policy updates? Review the [final 2023 ICYMI](#).**

We made many of these changes and communications in direct response to lender feedback requesting that we simplify or clarify policies or processes.

How to read this document



Most recent up top

The most recent items are listed first in the table below.



Quick reference

These Lender Letters, published before 2024, are still in effect:

- [LL-2023-07](#): COVID-19 Payment Deferral and Fannie Mae Flex Modification for COVID-19 Impacted Borrowers
- [LL-2023-03](#): Impact of COVID-19 on Servicing
- [LL-2021-10](#): Expanding Refinance Eligibility with RefiNow™



Acronyms and abbreviations

CU: Collateral Underwriter® (CU®)

DU/DO: Desktop Underwriter® (DU®) and/or Desktop Originator® (DO®)

LL: Lender Letter (reinforces existing policy or describes temporary policies)

SEL: *Selling Guide* Announcement

SVC: *Servicing Guide* Announcement



Look for what's most relevant to you

- Appraisals
- Loan Delivery
- Risk Management/Quality Control
- Servicing Servicing-specific publications are also highlighted with a gray background.
- Technology
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Fannie Mae's *Selling* and *Servicing Guides* and their updates, including *Guide* announcements and release notes, are the official statements of Fannie Mae's policies and procedures and control in the event of discrepancies between the information provided in this summary and the *Guides*.

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| 31 | SVC-2024-07 (12/18/2024) | ■ Allowable foreclosure attorney fees, bankruptcy attorney fees, and Mortgage Release document preparation cost updates | Updates allowable foreclosure and bankruptcy attorney fees, Mortgage Release document preparation cost, and clarifies the servicer’s responsibility for certain legal fees |
| | | ■ Miscellaneous updates | <ul style="list-style-type: none"> HECM mortgage insurance claim submission requirements |
| 30 | SEL-2024-08 (12/11/2024) | ■ HomeStyle® Energy – energy report age extension | Allowing an energy report, when required for any HomeStyle Energy mortgage, to be dated no more than 24 months before the note date |
| | | ■ Limited cash-out refinance | Adding additional exceptions to the borrower ownership requirement |
| | | ■ Time adjustments in appraisals | Encouraging the use of home price indices and other market data to support overall value accuracy |
| | | ■ HomeStyle® Renovation Loan Agreement | Clarifying both parties may execute the agreement at any time during the closing process with the agreement matching the note date |
| | | ■ Miscellaneous updates | <ul style="list-style-type: none"> Remote online notarization |
| 29 | LL-2024-01 (12/05/2024) | ■ HomeReady Product Enhancement | Extending the \$2,500 loan-level price adjustment credit for one additional year and updating eligibility to require at least one borrower to be a first-time homebuyer. |
| 28 | LL-2024-03 (11/26/2024) | ■ Confirmation of Conforming Loan Limit Values for 2025 | Provides the base and high-cost loan limits for 2025 |

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| 27 | DU/DO Release Notes (11/20/2024) | <ul style="list-style-type: none"> ■ DU version 12.0 | <p>During the weekend of Jan. 11, 2025, Fannie Mae will implement Desktop Underwriter® (DU®) Version 12.0, which will include the changes described below.</p> <p>The changes in this release will apply to new loan casefiles submitted to DU on or after the weekend of Jan. 11, 2025. Loan casefiles created in DU Version 11.1 and resubmitted after the weekend of Jan. 11 will continue to be underwritten through DU Version 11.1.</p> <p>The changes in this release include the following updates:</p> <ul style="list-style-type: none"> • DU Risk and Eligibility Assessment • Significant Derogatory Credit Event Treatment • Loans for Borrowers without Credit Scores • Cash Flow Assessment • Rent Payment Identification • Mission Index Information • Value Acceptance LTV Ratio • Updates to Align with the <i>Selling Guide</i> • Retirement of DU Version 11.0 |
| 26 | SVC-2024-06 (11/13/2024) | <ul style="list-style-type: none"> ■ Preventing, Detecting, and Reporting Mortgage Fraud | <p>Clarifies that sellers and servicers are responsible for preventing, detecting and reporting mortgage fraud</p> |
| <ul style="list-style-type: none"> ■ eMortgage Servicing Requirements | | <p>Clarifies eMortgage servicing requirements</p> | |
| <ul style="list-style-type: none"> ■ Miscellaneous updates | | <ul style="list-style-type: none"> • Reporting Due Date for Summary Reporting Mortgage Loans* • Update to Remitting Third-Party Sales Proceeds* • Incorporation of Lender Letter LL-2024-02, Updates to Determining the Flex Modification Terms* <p>*Policy change not applicable to reverse mortgage loans.</p> | |
| 25 | | <ul style="list-style-type: none"> ■ Updates to leasehold provisions | <p>Modernizing special property eligibility and underwriting considerations for leasehold estates</p> |

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| | SEL-2024-07 (11/06/2024) | <ul style="list-style-type: none"> Project review for manufactured homes, including those on leasehold estates | Revising our project review requirements related to properties secured by manufactured homes |
| | | <ul style="list-style-type: none"> Appraisal market areas | Updating requirements related to the Market Area analysis of the appraisal report and adding standardized definitions relevant to appraisal market areas to the Glossary |
| | | <ul style="list-style-type: none"> Preventing, detecting, and reporting mortgage fraud | Clarifies that sellers and servicers are responsible for preventing, detecting, and reporting mortgage fraud |
| | | <ul style="list-style-type: none"> Miscellaneous updates | <ul style="list-style-type: none"> Post-delivery principal curtailments |
| 24 | LL-2024-02 (10/02/2024) | <ul style="list-style-type: none"> Updates to Determining the Flex Modification Terms | Updated policies previously published in LL-2024-02 to clarify that when determining the final Fannie Mae Flex Modification terms, the servicer must use the same interest rate as established when determining the terms for the Trial Period Plan. |
| 23 | SVC-2024-05 (09/11/2024) | <ul style="list-style-type: none"> Updates to Charge-Off and Second Lien Consideration Policies* | <p>Clarifies servicer responsibilities related to charge-off and second lien consideration process and submission requirements.</p> <p>*Policy change not applicable to reverse mortgage loans</p> |
| 22 | SEL-2024-06 (09/04/2024) | <ul style="list-style-type: none"> Green MBS | Establishes loan delivery requirements for lender-formed Green MBS and a Fannie Mae Green Majors® pool. |
| | | <ul style="list-style-type: none"> Mitigating subjective statements in appraisal reports | Removes, adds, and replaces certain terms of our appraisal practices policy to mitigate subjective terminology used in appraisal reports. |
| | | <ul style="list-style-type: none"> DU Validation Service – revalidation of employment | Automates Desktop Underwriter® (DU®) review of the supplemental asset report to extend employment validation. |
| 21 | SEL-2024-05 (08/07/2024) | <ul style="list-style-type: none"> Rent-related credits | Updating policies and guidelines pertaining to rent credit with an option to purchase and rent-back credit |
| | | <ul style="list-style-type: none"> Miscellaneous updates | <ul style="list-style-type: none"> DU Validation Service – Asset Validation |

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| | | | <ul style="list-style-type: none"> Income Calculator and enforcement relief of certain representations and warranties IRS tax transcripts Temporary interest rate buydowns |
| 20 | Selling Notice (08/06/2024) | <ul style="list-style-type: none"> Implementation date for Reconsideration of Value updated to October 31 | In May 2024, we issued <i>Selling Guide</i> Announcement SEL-2024-03 related to the development of a framework for lenders to review and respond to a borrower-initiated reconsideration of value (ROV). While lenders are encouraged to implement the ROV policy immediately, they must do so for loans with applications dated on or after the new effective date of October 31, 2024. |
| 19 | DU/DO Release Notes DU/DO Release Notes (07/17/2024) | <ul style="list-style-type: none"> DU version 11.1 | During the weekend of Aug. 17, 2024, Fannie Mae will update Desktop Underwriter® (DU®) Version 11.1. The change will apply to DU Version 11.1 loan casefiles submitted or resubmitted on or after the weekend of Aug. 17, 2024. |
| 18 | SVC-2024-04 (07/10/2024) | <ul style="list-style-type: none"> Updates to Expense Reimbursement | Provides clarification and further instruction related to expense reimbursement policies. |
| | | <ul style="list-style-type: none"> Miscellaneous update | <ul style="list-style-type: none"> Retirement of Form 2200 |
| 17 | LL-2023-05 (06/26/2024) | <ul style="list-style-type: none"> Advance Notice of Changes to Master Servicing Processes and Systems | <p>Updates policies previously published in LL-2021-12 on Dec. 14, 2022, with the following changes noted below. It provides advance notice of upcoming changes to our Master Servicing processes and systems. These changes further simplify and streamline servicer reporting and will be introduced in a phased approach. These changes are not applicable to reverse mortgage loans.</p> <ul style="list-style-type: none"> Communicating the effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans |
| 16 | Servicing Notice (06/12/2024) | <ul style="list-style-type: none"> Republic Mortgage Insurance Company acquired by Arch Capital Group Ltd. | Fannie Mae has approved the acquisition of Republic Mortgage Insurance Company and Republic Mortgage Insurance Company of North Carolina and its affiliates (RMIC) by Arch U.S. MI Holdings, Inc., a subsidiary of Arch Capital Group Ltd. RMIC is now an affiliate of our approved mortgage insurers Arch Mortgage Insurance Company and United Guaranty Residential Insurance Company. |
| 15 | | <ul style="list-style-type: none"> Builder standby commitment fees | Adds Special Feature Code 887 for loans delivered using a standby commitment |

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| | SEL-2024-04 (06/05/2024) | <ul style="list-style-type: none"> ■ Closing cost definition ■ HomeReady® housing counseling LLPA credit ■ Retirement of Form 2200 ■ Miscellaneous update | <p>Updates glossary definition of closing costs to include items related to the real estate and financing transactions</p> <p>Expands timeframes for completion of counseling and eliminating Form 1017</p> <p>Retires the requirement for a completed Form 2200 at loan delivery</p> <ul style="list-style-type: none"> • Private transfer fees |
| 14 | LL-2024-02 (05/29/2024) | <ul style="list-style-type: none"> ■ Updates to Determining the Flex Modification Terms | <p>We updated the steps for determining the Fannie Mae Flex Modification terms in alignment with Freddie Mac and at the direction of FHFA. The updates expand eligibility by revising the mark-to-market loan-to-value (MTMLTV) based requirements and provide more equitable payment reduction to eligible borrowers by applying the terms incrementally and targeting a 20% P&I payment reduction. In accordance with these policy updates, we are also publishing revised Evaluation Notices that may be implemented as early as Nov. 1, 2024, but no later than Dec. 1, 2024.</p> |
| 13 | DU/DO Release Notes (05/29/2024) | <ul style="list-style-type: none"> ■ DU version 11.1 | <p>During the weekend of July 20, 2024, Fannie Mae will update Desktop Underwriter® (DU®) Version 11.1, which will include the changes described below. Unless specified in the release notes, the changes in this release will apply to DU Version 11.1 loan casefiles submitted or resubmitted on or after the weekend of July 20, 2024.</p> <p>The changes in this release include the following:</p> <ul style="list-style-type: none"> • Mission Index Information • Duty to Serve Update • Potential Red Flag Occupancy Message • Loan Application Data Validation Updates • Updates to Align with the <i>Selling Guide</i> |
| 12 | Selling Notice (05/13/2024) | <ul style="list-style-type: none"> ■ Area Median Incomes 2024 | <p>Area median incomes (AMIs) for 2024 will be implemented in Desktop Underwriter® (DU®) and HomeReady® application programming interfaces (APIs), Loan Delivery, and the Area Median Income Lookup Tool effective May 19. The AMIs will continue to be applied in DU based on the casefile create date while the Application Received Date provided in Loan Delivery will be used to determine which AMI limit to use when evaluating eligibility for the loan-level price adjustment (LLPA) waiver.</p> |

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| 11 | SVC-2024-03 (05/08/2024) | <ul style="list-style-type: none"> ■ Submission of the Audited Financial Statement, Form 1001, and Form 582 | Updates the <i>Selling Guide</i> to reflect changes in the process for submission of financial statements and reports. |
| | | <ul style="list-style-type: none"> ■ Miscellaneous update | <ul style="list-style-type: none"> • Incorporates the minimum financial requirements that are currently reflected as an exhibit in the <i>Selling Guide</i> into the applicable <i>Guide</i> topics. |
| 10 | Selling and Servicing Notice (05/08/2024) | <ul style="list-style-type: none"> ■ Regarding Recent Clarifications of Lender and Servicer Property Insurance Responsibilities | We are responding to concerns heard regarding lenders' and servicers' ability to comply with our long-standing policy to obtain the replacement cost value following our Feb. <i>Selling Guide</i> and <i>Servicing Guide</i> Announcements. |
| 9 | SEL-2024-03 (05/01/2024) | <ul style="list-style-type: none"> ■ First-generation homebuyer loan | Introduces a definition for a first-generation homebuyer loan |
| | | <ul style="list-style-type: none"> ■ Reconsideration of value | Adds requirements for borrower-initiated appeals process for appraisals |
| | | <ul style="list-style-type: none"> ■ Affidavit of Affixture | Clarifies when an Affidavit of Affixture is required for manufactured housing loans |
| | | <ul style="list-style-type: none"> ■ Community land trust eligibility for manufactured housing | Expands our shared equity policy as it relates to manufactured housing in community land trust properties |
| | | <ul style="list-style-type: none"> ■ Registration of co-op share loans with MERS | Allows sellers/servicers to designate MERS as the nominee for the beneficiary in the security instrument |
| | | <ul style="list-style-type: none"> ■ Submission of the Audited Financial Statement, Form 1001, and Form 582 | Updates requirements for submission of financial statements and reports |
| | | <ul style="list-style-type: none"> ■ Trust income | Adds additional details to supplement previously issued policy requirements |
| | | <ul style="list-style-type: none"> ■ Miscellaneous updates | <ul style="list-style-type: none"> • Maintaining seller/servicer eligibility • Nontaxable Section 8 payments |

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| | | | <ul style="list-style-type: none"> Validation of Form 482 <p>In addition, we published new state-specific versions of the Multistate 30-day Average SOFR ARM instruments that currently require state-specific authorized changes.</p> |
| 8 | Selling Notice (04/15/2024) | <ul style="list-style-type: none"> Real Estate Commissions and Interested Party Contributions | <p>We are aware of the proposed settlement agreement, subject to court approval, announced by the National Association of REALTORS® (NAR) in the <i>Burnett et al</i> and <i>Moehrl et al</i> cases. While there are no immediate changes to our <i>Selling Guide</i> policies, we are clarifying the current treatment of seller-paid real estate agent fees under our interested party contributions (IPCs) policy.</p> |
| 7 | LL-2023-05 (03/13/2024) | <ul style="list-style-type: none"> Advance Notice of Changes to Master Servicing Processes and Systems | <p>Updates policies published in LL-2021-12 on Dec. 14, 2022, with the following changes noted below. It provides advance notice of upcoming changes to our Master Servicing processes and systems. These changes further simplify and streamline servicer reporting and will be introduced in a phased approach. These changes are not applicable to reverse mortgage loans.</p> <ul style="list-style-type: none"> Removing the topic <i>Streamline Investor Reporting with LSDU and Master Servicing Portfolio Manager Self-Serve Capabilities</i>, which has been incorporated into the <i>Servicing Guide</i> or Investor Reporting Manual as of December 2023. Communicating an updated target effective date for cash simplification changes related to reporting due date for summary reporting mortgage loans. |
| 6 | SVC-2024-02 (03/13/2024) | <ul style="list-style-type: none"> Loan Modification Agreement* | <p>Updates the Loan Modification Agreement (Form 3179) with additional instructions in response to New York’s Foreclosure Abuse Prevention Act and the instructional provision related to MERS</p> <p>*Policy change not applicable to reverse mortgage loans</p> |
| | | <ul style="list-style-type: none"> Miscellaneous updates | <ul style="list-style-type: none"> Evaluation Notices* <p>*Policy change not applicable to reverse mortgage loans</p> |
| 5 | SEL-2024-02 (03/06/2024) | <ul style="list-style-type: none"> DU validation service | <p>Expands the DU validation service to allow income and employment validation using an asset verification report</p> |
| 4 | | <ul style="list-style-type: none"> Property insurance requirements** | <p>Clarifies servicer responsibilities related to monitoring and verification of property insurance coverage</p> |

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| | <p><u>SVC-2024-01</u> (02/14/2024)</p> | | <p>**Policy change applies only to Home Keeper® loans and is not applicable to HECM mortgage loans.</p> |
| | | <p>■ Miscellaneous updates</p> | <ul style="list-style-type: none"> • Flood insurance* • Remote online notarization requirements* <p>*Policy change not applicable to reverse mortgage loans</p> |
| <p>3</p> | <p><u>SEL-2024-01</u> (02/07/2024)</p> | <p>■ Value acceptance + property data for condos</p> | <p>Expands value acceptance + property data offering to include attached and detached condos as an eligible property type and other clarifications</p> |
| | | <p>■ Qualifying rate for 7- and 10-year ARMs</p> | <p>Clarifies policy that lenders must qualify 7- and 10-year ARM borrowers at no less than the note rate for loans that are not high-priced mortgage loans or higher-priced covered transactions</p> |
| | | <p>■ Manufactured housing cash-out refinance term extensions</p> | <p>Allows loan term up to equal to 30 years on cash-out refinance transactions for multi-width manufactured homes</p> |
| | | <p>■ Eligible types of nontraditional credit references</p> | <p>Adds additional examples of nontraditional credit references related to housing expenses</p> |
| | | <p>■ Use of business income</p> | <p>Clarifies income calculation requirements for self-employed borrowers and borrowers with less than a 25% interest in a business</p> |
| | | <p>■ Property insurance requirements</p> | <p>Provides various clarifications for coverage requirements</p> |
| | | <p>■ Mortgage originations definitions</p> | <p>Updates existing and adds new language to address the mortgage origination definition in the Glossary</p> |
| | | <p>■ Miscellaneous updates</p> | <ul style="list-style-type: none"> • Unacceptable Appraisal Practices • National Flood Insurance Program lapse • Borrowers' signatures on notes |

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| 2 | LL-2024-01 (01/24/2024) | <ul style="list-style-type: none"> ■ HomeReady Product Enhancement | <p>To address some of the barriers to entry for very low-income purchase borrowers, we are offering a temporary \$2,500 loan-level price adjustment credit on our HomeReady® loan product. This credit can be used for down payment and closing costs on loans delivered after March 1, 2024.</p> |
| 1 | DU for Government Loans Release Notes (01/20/2024) | <ul style="list-style-type: none"> ■ DU for government loans | <p>During the weekend of Jan. 20, 2024, Desktop Underwriter® (DU®) for government loans will be updated to support FHA and VA changes.</p> |