Fannie Mae

Lender Letter (LL-2026-09)

Nov. 4, 2026

To: All Fannie Mae Single-Family Sellers
Manual Underwriting Eligibility

We are revising the manual underwriting eligibility requirements in the *Eligibility Matrix.*

The revised *Eligibility Matrix* simplifies the requirements and aligns manual underwriting eligibility for standard, HomeReady®, and HomeStyle® Renovation loans.

For manually underwritten loans, references to credit scores include both Classic FICO and VantageScore 4.0. The same minimum credit score requirements apply to both models.

Effective: The revised manual underwriting eligibility requirements apply to loans delivered to us on or after Feb. 22, 2027.

Key changes

The revised *Eligibility Matrix* includes the following key changes for manually underwritten loans:

- Aligning minimum credit score requirements for fixed-rate and adjustable-rate loans.
- Establishing consistent credit score and reserve requirements for two- to four-unit principal residence transactions and for cash-out refinance transactions.
- Combining all manual underwriting requirements, including HomeReady and HomeStyle, in a single matrix.

Note: HomeReady and HomeStyle Renovation loans continue to be eligible for manual underwriting only for purchase and limited cash-out refinance (LCOR) transactions.

Revised eligibility requirements

The revised manual underwriting eligibility requirements are shown below.

Manual Underwriting Eligibility Requirements						
Standard, HomeStyle Renovation and HomeReady			**Maximum DTI ≤ 36**		**Maximum DTI ≤ 45**	
Transaction Type	**Number of Units**	**Maximum LTV, CLTV, HCLTV**	**Credit Score**	**Maximum Reserves**	**Credit Score**	**Maximum Reserves**
Prnincipal Residence						
Purchase Limited Cash-Out Refinance	1 unit	FRM/ARM: 95%	680 (620 if LTV ≤ 75%)	0	720 (680 if LTV ≤ 75%)	0
	2 units	FRM/ARM: 85%	660	6	680	6
	3-4 units	FRM/ARM: 75%				
Standard Eligibility Requirements			**Maximum DTI ≤ 36**		**Maximum DTI ≤ 45**	
Transaction Type	**Number of Units**	**Maximum LTV, CLTV, HCLTV**	**Credit Score**	**Maximum Reserves**	**Credit Score**	**Maximum Reserves**
Prnincipal Residence						
Cash-Out Refinance	1 unit	FRM/ARM: 80%	680	0	720	6
	2-4 units	FRM/ARM: 75%	680	12	720	12

The *Eligibility Matrix* will be updated when these changes become effective on Feb. 22, 2027.

Lenders may contact their Fannie Mae Account Team if they have questions about this Lender Letter.
Have guide questions? Get answers to all your policy questions, straight from the source. Ask Poli.