



Lender Letter LL-2019-08

November 20, 2019

To: All Fannie Mae Single-Family Sellers Approved Mortgage Insurance Forms

Under the oversight of the Federal Housing Finance Agency, Fannie Mae and Freddie Mac have worked with approved mortgage insurers to update their master primary policies and related endorsements and other forms (Forms). These Forms provide the terms of mortgage insurance coverage on individual loans sold to or securitized by us (as well as other investors and guarantors). As a reminder, when lenders purchase mortgage insurance on such loans, the coverage must be on Forms that we have approved. If an insured Fannie Mae loan defaults and a mortgage insurance claim is filed, Fannie Mae is the beneficiary of the coverage and receives the insurance benefit from the mortgage insurer.

The existing approved Forms were implemented October 1, 2014. The new approved Forms have been updated primarily to further align them with the [Amended and Restated GSE Rescission Relief Principles](#) dated September 2018 (PMIERS Exhibit G) and to enhance clarity, consistency, and certainty of coverage.

A revised list of the approved Forms for each provider is available on our [website](#). Prior to March 1, 2020, but after all the applicable Forms have been approved by the various state insurance departments, this list will be updated to include a number of state-required variation endorsements. Lenders should consult their mortgage insurance providers regarding the status of each state's approval of its Forms, as well as the applicability of any state-required variation endorsements.

Effective Date

Any loan sold to or securitized by us that has mortgage insurance and has a loan application date on or after March 1, 2020, must be insured under one of the new approved Forms. If a loan is insured under any form previously approved, it will not be eligible for delivery and will be subject to repurchase if identified after acquisition.

Any loan that has mortgage insurance and has a loan application date prior to March 1, 2020, may be insured under either

- one of the new approved Forms; or
- any form previously approved for use at the time of the loan application date.

Lenders are reminded that they are prohibited from entering into any agreement that modifies the terms of any approved mortgage insurance master policy on loans delivered to or intended for delivery to Fannie Mae.

NOTE: *The Selling Guide will be updated at a later date to reflect the above information.*

Exception

Insured loans that are refinanced into a High LTV Refinance loan may continue to be insured under a previously approved Form if the mortgage insurer transfers the existing coverage to the new loan. However, if a new mortgage insurance certificate is issued, this exception does not apply.

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

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