

Selling Guide Announcement SEL-2012-14

December 18, 2012

Selling Guide Updates

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

- Properties Affected by a Disaster
- DU Refi Plus™ and Refi Plus™ Property Valuation
- DU Refi Plus and Refi Plus Expiration Date
- Escrow Requirements for Refinances
- Desktop Underwriter® Archive Policy
- Links to Fannie Mae's Website

In addition, the *Special Feature Codes* document published on Fannie Mae's website has been updated.

Lenders should review each topic to gain a full understanding of the policy changes. The updated topics are dated December 18, 2012.

Properties Affected by a Disaster

This *Selling Guide* update incorporates the policy changes announced in SEL-2012-12, *Disaster Policy and Updates to DU Refi Plus™ and Refi Plus™ Property Policies* as well as clarifications provided in LL-2012-09, *Additional Flexibilities for Mortgage Loans Impacted by Hurricane Sandy*.

A new topic has been added to the Guide chapter that addresses occupancy and property eligibility (Chapter B2-3). (See the next section for updates to DU Refi Plus and Refi Plus disaster policies.)

Updated Selling Guide Topics

- [B2-3-06](#), Properties Affected by a Disaster (new topic)

Effective Date

These policy updates were effective November 1, 2012.

DU Refi Plus and Refi Plus Property Valuation

In SEL-2012-12, Fannie Mae also announced policy changes to the appraisal requirements for DU Refi Plus and Refi Plus mortgage loans. More specifically, lenders are no longer required to determine if an inspection or a new appraisal is necessary after a disaster. Furthermore, Fannie Mae is not requiring properties damaged by a disaster to be repaired prior to delivery as long as the loan meets the standard property insurance requirements. The current disaster policy for DU Refi Plus and Refi Plus mortgages has been replaced by these updates announced in SEL-2012-12.

Lastly, the *Selling Guide* has been updated to reflect that lenders no longer have the option to use the original appraisal for Refi Plus loans. A new appraisal is required, and the lender is relieved of its representations and warranties with respect to the value, condition, and marketability of the property.

Updated Selling Guide Topics

- [B5-5.2-01](#), DU Refi Plus and Refi Plus Eligibility (Representations and Warranties)
- [B5-5.2-03](#), DU Refi Plus and Refi Plus Property Valuation and Project Standards (DU Refi Plus Property Fieldwork Waiver, Refi Plus Property Valuation Requirements, DU Refi Plus and Refi Plus: Properties Affected by a Disaster, DU Refi Plus: No New Appraisal Obtained)

Effective Date

These policy updates were effective November 1, 2012. However, Fannie Mae extended the effective date for the requirement for Refi Plus appraisals to applications dated on or after January 1, 2013. (This extension was communicated in SEL-2012-13, *Selling Guide Updates*.)

DU Refi Plus and Refi Plus Expiration Date

In a Notice released on November 19, 2012, Fannie Mae clarified that the expiration date of the DU Refi Plus and Refi Plus program would no longer be based on the note date of the mortgage loans. Instead, the December 31, 2013, expiration date is now based on the application date of mortgage loans. Delivery deadlines were also extended. These updates have been incorporated into the *Selling Guide* in a number of areas.

Updated Selling Guide Topics

- [B5-5.2-01](#), DU Refi Plus and Refi Plus Eligibility (Program Expiration)
- [B5-5.2-02](#), DU Refi Plus and Refi Plus Underwriting Considerations (Expiration of Mortgage Insurance Flexibilities)
- [B5-5.2-04](#), DU Refi Plus and Refi Plus Closing, Pricing, and Delivery (Delivery Deadlines)

Escrow Requirements for Refinances

In the November 2012 *Selling Guide* update, the *Selling Guide* was revised to include requirements for establishing escrow accounts for refinances when the borrower includes real estate taxes in the loan amount. With this update, the escrow account topic has been further updated to more fully reflect the refinance requirements, and links to the applicable refinance topics were updated. In addition, the Guide has been clarified to reflect that these escrow requirements do not apply to DU Refi Plus and Refi Plus mortgage loans. Also note that for consistency in a number of instances, the term “escrow deposit account” was replaced with “escrow account.”

Updated Selling Guide Topics

- [B2-1.2-02](#), Limited Cash-Out Refinance Transactions (Ineligible Transactions, Acceptable Uses, Exceptions to Limited Cash-Out Refinance Requirements for DU Refi Plus and Refi Plus)
- [B2-1.2-03](#), Cash-Out Refinance Transactions (Ineligible Transactions, Acceptable Uses)
- [B2-1.4-04](#), Escrow Accounts

Effective Date

Fannie Mae is extending the effective date for the establishment of an escrow account due to the financing of real estate taxes to applications dated on or after March 1, 2013.

Desktop Underwriter Archive Policy

The practice of archiving Desktop Underwriter (DU[®]) loan casefiles has been in effect for several years. Because a description of that practice is no longer available online, it was added to the *Selling Guide*. In this way, lenders have ready access to the timeframes involved and the steps to take if an archived loan casefile must be re-underwritten.

Updated Selling Guide Topics

- [B3-2-01](#), General Information on DU (Loan Casefile Archival Policy)

Links to Fannie Mae's Website

In November 2012, Fannie Mae replaced eFannieMae.com with a new business Web portal. As a result, it was necessary to update all of the links from eFannieMae.com to the portal. Additionally, all references to "eFannieMae.com" have also been removed or replaced with "Fannie Mae's website." A list of documents published on the portal and their updated links can be found in [E-1-01](#), References to Fannie Mae's Website.

NOTE: These changes were made to a number of topics throughout the Guide; however the topic date was not changed. The changes were also not "highlighted" in the PDF version of the Selling Guide posted on the portal.

Special Feature Codes

The [Special Feature Codes](#) document published on Fannie Mae's website has been updated to reflect the following:

- guidance has been added to address when the loan attributes call for delivery of more than six codes;
- SFC 018, FDIC Loan has been retired;
- several previously retired codes have been removed from the list; and
- SFC 214, Desktop Underwriter Loan (Seller Acquired After Evaluation) has been updated to reference an additional code that may be required in conjunction with SFC 214.

Lenders who have questions about this Announcement should contact their Account Team.

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