



From the Desk of Carlos Perez
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Executive Overview of *Selling Guide* Updates

Our February *Selling Guide* announcement provides more flexibilities with our HomeStyle® Renovation and HomeStyle Energy products, brings more relief for borrowers impacted by a disaster, and more. These updates:

- **Expand HomeStyle Renovation mortgage options.** We're making it easier for borrowers to purchase or renovate older homes. With this update, we're increasing the maximum allowable LTV to 97% for certain loans underwritten in Desktop Underwriter® (DU®) and we're allowing this product to be used on manufactured home loans. And we've expanded the options for Fannie Mae sellers to deliver HomeStyle Renovation loans to us: 1) With special approval from Fannie Mae and limited recourse in place, deliver before renovation is complete, or 2) a new option for approved sellers without special approval to deliver after the renovations are complete.
- **Provide more opportunities to use the HomeStyle Energy product.** HomeStyle Energy can be leveraged by borrowers to make their homes more energy efficient. Now, HomeStyle Energy can be used to make resiliency upgrades that will improve the home's ability to withstand environmental hazards or to repair damage after a natural disaster. For many energy-related renovations, we no longer require borrowers to obtain an energy report. And we've increased the maximum allowable LTV to 97% for certain loans underwritten in DU.
- **Help lenders be more prepared for unexpected events.** We've clarified our business continuity and disaster recovery plan requirements for our seller/servicers to include specific definitions and items to be addressed. All plans must be updated by Sept. 1 to meet our new requirements.
- **Increase the age of document flexibilities for loans impacted by a disaster.** To assist borrowers impacted by a natural disaster, we now allow documents associated with properties located in a FEMA-declared disaster area to be up to 180 days old (instead of a maximum of 120 days old) at the time of closing. This flexibility has been added to the *Selling Guide*, meaning you can leverage it as soon as FEMA declares a disaster area in the location where the property is located.
- **Simplify the *Selling* and *Servicing Guides*.** We're continuing our efforts to simplify our *Selling* and *Servicing Guides*. Now, topics related to compliance with laws and responsible lending practices are only included in the *Selling Guide*. Duplicative content has been removed from the *Servicing Guide*.

See [Announcement SEL-2018-02](#) for more details.

I hope these updates make it easier to do business with us and your borrowers. Thank you for your continued support!

Carlos Perez