



**From the Desk of Carlos Perez**  
Chief Credit Officer for Single-Family

September 4, 2018

## Executive Overview of *Selling Guide* Updates

The September 2018 *Selling Guide* Announcement updates our policies related to appraisals, condo and co-op projects, and more. This update:

- **Aligns appraisal terminology with industry standards.** We're adopting the name *appraisal waiver* to replace what we previously called *property inspection waiver* and *property fieldwork waiver*. This update aligns with common industry terminology and is a name change only; it does not impact any of our appraisal-related policies.
- **Provides a new appraisal waiver option for certain home purchases.** On a limited basis, we will offer a new appraisal waiver option to support sustainable homeownership for low- to moderate-income borrowers in rural high-needs areas. If a home inspection is obtained on eligible transactions, we'll waive the appraisal. A home inspection may identify any significant maintenance issues prior to closing and help home buyers avoid unanticipated post-purchase repairs.
- **Simplifies condo insurance requirements.** We no longer require liability, fidelity, or crime insurance for condo projects that are eligible for project review waivers. Additionally, lenders no longer need to notify condo associations if a policy is changed – only when a policy is cancelled.
- **Adjusts single-entity ownership policy.** Our single-entity ownership policy for co-ops has increased from 10% to 20% to align with the policy for condo projects.

See [Announcement SEL-2018-07](#) for more details of these and additional updates.

Thank you for your partnership. I hope these changes provide more simplicity to your business and more homeownership options for your borrowers.

A handwritten signature in cursive script that reads "Carlos Perez".

Carlos Perez