A Summary of Selling Guide and Policy Communications

This job aid summarizes recent Selling Guide and related policy updates, clarifications, or other supporting communications. It provides links to related resources as applicable.

Note: Fannie Mae made many of these changes or communications in direct response to lender feedback requesting that we simplify or clarify policies or processes.

How to read this guide:

Most Recent Up Top
Read this guide in reverse chronological order (most recent items are listed first in the chart below).

Know Your Acronyms
CU: Collateral Underwriter® (CU®)
DU/DO: Desktop Underwriter® (DU®) and/or Desktop Originator® (DO®)
LL: Lender Letter (reinforces existing policy or provides related information)
SEL: Selling Guide Announcement

Introducing the DU Validation Service Resource Center

Need help optimizing the Desktop Underwriter® (DU®) validation service? The DU Validation Service Resource Center is a one-stop-shop featuring a Jump Start Series, sample workflow process, FAQs, and more.

Check out our interactive API map

View a sampling of Fannie Mae APIs across the loan lifecycle. Each API on the map highlights a real customer challenge with a corresponding solution that can be addressed by the API.

Look for What’s Most Relevant to You

- Appraisals
- Loan Delivery
- Risk Management/Quality Control
- Servicing
- Technology
- Underwriting
- Other

Keep an Eye on Day 1 Certainty

Look for the icon for updates related to Day 1 Certainty®.
<table>
<thead>
<tr>
<th>#</th>
<th>Publication (Date)</th>
<th>Topic</th>
<th>Description / Resources</th>
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</table>
| 16 |                   | Uniform Mortgage-Backed Securities        | Implemented changes to prepare for the Single Security initiative by:  
  • Adding references to UMBS, where appropriate; and  
  • Incorporating updates related to changes in interest rate spreads and servicing fees as previously announced in LL-2019-03.                                                                                                                                                             |
| 15 | SEL-2019-04       | Removal of Designated Document Custodian   | Removed all references to Fannie Mae’s designated document custodian (DDC) and full-service certification custodian (FCC) because all Fannie Mae-approved custodians are now equipped to certify all types of loans.                                                                                                                                   |
| 14 |                   | Electronic Transactions                    | Clarified the following:  
  • Texas Section 50(a)(6) loans are not eligible for remote notarization.  
  • Added a reference that products requiring special purpose legal documents are not eligible for delivery as eMortgages.                                                                                                                                  |
| 13 | LL-2019-04        | Loan Level Price Adjustment for Second Homes | Implemented a 25 basis point (0.250%) loan level price adjustment for loans secured by second homes with LTV ratios greater than 85%.                                                                                                                                                                                                                     |
| 12 | SEL-2019-03       | HomeReady® Mortgage Loans                  | Updated HomeReady policies to include the following:  
  • a maximum limit of two financed properties, including the subject property;  
  • a clarification that a boarder may not have ownership interest in the property; and  
  • an explanation that HomeReady loans combined with HomeStyle® Renovation loans may be delivered with the lower level of mortgage insurance coverage permitted for HomeReady.  
  HomeReady web page                                                                                                                                                                                                                        |
| 11 |                   | Self-Report Process                        | Removes references to the self-reporting email box to align with a new self-reporting process in Loan Quality Connect™.  
  Loan Quality Connect web page                                                                                                                                                                                                                                                                     |
<p>| 10 |                   | Multiple Servicers for Fannie Majors®      | Provided additional flexibility to lenders delivering into Fannie Majors by allowing multiple servicer numbers per seller number.                                                                                                                                                                                                                           |</p>
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<tr>
<th>9</th>
<th><strong>Selling Notice</strong>&lt;br&gt;(03/11/19)</th>
<th>Forward Trading of UMBS</th>
<th>Announced that Fannie Mae will begin accepting forward trades from approved trading counterparties, with a trade date on or after March 12, 2019, and with settlement dates on or after June 3, 2019.</th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td><strong>SEL-2019-02</strong>&lt;br&gt;(03/06/19)</td>
<td>Eligibility Requirements for Manually Underwritten Loans</td>
<td>Made corresponding updates to eligibility requirements for manually underwritten loans with recent adjustments to Desktop Underwriter® (DU®) Version 10.3. View the updated Eligibility Matrix for details.</td>
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<td>7</td>
<td><strong>SEL-2019-02</strong>&lt;br&gt;(03/06/19)</td>
<td>Leasehold Estates</td>
<td>Clarified lender responsibilities for leasehold estates.</td>
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<tr>
<td>6</td>
<td><strong>Mortgage Electronic Registration System (MERS)</strong></td>
<td>Consolidated shared policies for sellers and servicers related to the use of Mortgage Electronic Registration Systems (MERS), Inc. into the Selling Guide. All duplicative information has been removed from the Servicing Guide.</td>
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<tr>
<td>5</td>
<td><strong>LL-2019-03</strong>&lt;br&gt;(03/05/19)</td>
<td>Interest Rate Spread for Fixed-Rate MBS and Servicing Fee Requirements for Fixed-Rate Loans</td>
<td>Changed the allowable interest rate (note) spread in fixed-rate Mortgage-Backed Securities (MBS) and the maximum servicing fee permitted for fixed-rate loans to support the upcoming implementation of the Uniform Mortgage-Backed Security (UMBS™).</td>
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<tr>
<td>4</td>
<td><strong>SEL-2019-01</strong>&lt;br&gt;(02/06/19)</td>
<td>Loan Quality Connect™</td>
<td>Provided process updates related to the implementation of Loan Quality Connect. Removed references to the Quality Assurance System (QAS) from the Selling Guide. Loan Quality Connect web page</td>
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<tr>
<td>3</td>
<td><strong>SEL-2019-01</strong>&lt;br&gt;(02/06/19)</td>
<td>Cost of Funds Index (COFI) Retirement</td>
<td>Eliminated references to the COFI and associated adjustable-rate mortgage plans.</td>
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<td>2</td>
<td><strong>Requirements for Postponed Improvements</strong></td>
<td>Clarified requirements for escrow accounts to fund postponed improvements.</td>
<td></td>
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<td>1</td>
<td><strong>LL-2019-02</strong>&lt;br&gt;(01/16/19)</td>
<td>Impact of Federal Government Shutdown (Selling)</td>
<td>Provided guidance on selling policies related to the federal government shutdown.</td>
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