

MPF® Announcement

**MPF Announcement:**

2021-12

Date:

February 23, 2021

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Direct

MPF Government MBS

MPF Traditional

MPF Xtra®

Effective Date:

Immediately (unless otherwise noted)

MPF Xtra Selling Guide Updates

Fannie Mae recently issued Selling Guide Announcement [SEL-2021-01](#) which covered the below referenced topics that are applicable to loans sold under the MPF Xtra product:

- Clarified the requirements for verifying secondary employment and seasonal income as follows:
 - Clarified that while a Borrower may have different employers, they may not have any gap in employment greater than one month in the most recent 12-month period, unless the secondary employment is considered seasonal income.
 - Removed the requirement to confirm with the seasonal employer, that the Borrower is likely to be rehired the next season and to confirm if the work is in the same job (or same line of work) as the previous two years.

Reference

[Fannie Mae Selling Guide Announcement SEL-2021-01](#)

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

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Other topics mentioned in the Fannie Mae announcement do not apply to MPF Xtra. To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Announcement and any applicable Fannie Mae Selling Guide chapters, forms, or exhibits noted in the announcements.

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Selling Guide Announcement (SEL-2021-01)

Feb. 03, 2021

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

- [Seasonal and secondary income](#): simplified verification requirements related to these employment and income types
- [Seller/Servicer-initiated post-purchase adjustment process](#): Use of the PPA Form to request post-purchase adjustments is now mandatory
- [Miscellaneous update](#): removed references to authorizing release of data to us

View the list of [impacted topics](#).

Seasonal and secondary income

We simplified the requirements for verifying income and employment as follows:

- Secondary employment: clarified that while a borrower may have different employers, they may not have any gap in employment greater than one month in the most recent 12-month period, unless the secondary employment is considered seasonal income.
- Seasonal income: removed the requirements to confirm with the employer if the borrower is likely to be rehired the next season and to confirm if the work is in the same job (or same line of work) as the previous two years.

Effective: Lenders may take advantage of these changes immediately. DU messaging will be updated in a future release.

Seller/Servicer-initiated post-purchase adjustment process

When sellers/servicers find a discrepancy between data attributes submitted at the time of delivery to Fannie Mae and their loan records, a post-purchase adjustment (PPA) may be required. A PPA is also required when the lender believes there is an error in the whole loan Purchase Advice.

In our "Selling + Servicing News," we recently communicated updates to the PPA process and a new requirement for the use of the Post-Purchase Adjustment Request form (which used to be optional). The *Selling Guide* has been updated to reflect the changes to the process and the requirement for the PPA form. Refer to our [website](#) and the [Seller/Servicer-Initiated Post-Purchase Adjustment Job Aid](#) for additional information.

Miscellaneous update

B7-1-01, Provision of Mortgage Insurance: removed references to authorizing release of data to us since this applies only to legacy loans that are being serviced. The policy is in the *Servicing Guide*.

Lenders may contact their Fannie Mae Account Team if they have questions about this Announcement.
Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).



Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated Feb. 03, 2021)
Seasonal and secondary income	<ul style="list-style-type: none">▪ B3-3.1-05, Secondary Employment Income (Second Job and Multiple Jobs) and Seasonal Income
Lender initiated post-purchase adjustment process	<ul style="list-style-type: none">▪ C1-2-02, Loan Data & Documentation Delivery Requirements▪ C2-2-05, Whole Loan Purchasing Process▪ E1-1-01, References to Fannie Mae's Website▪ E1-1-03, List of Contacts