MPF® Announcement

MPF Announcement:
2022-31

Date:
July 15, 2022

Alert:
Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:
Compliance/Legal
Program Management
Origination
Quality Control
Servicing
Underwriting

Product:
MPF Government MBS
MPF Traditional
MPF Xtra®

Effective Date:

Immediately

MPF Xtra Selling Guide Updates

On July 6, 2022, Fannie Mae published Lender Letter LL-2022-03, providing Originators advance notice of the mandatory effective date for the Supplemental Consumer Information Form (Form 1103).

Form 1103 captures information about homeownership education or housing counseling programs completed by the Borrower along with the Borrower's language preference.

Effective Immediately: PFIs may begin using the form immediately but must do so for all loans with application dates on or after March 1, 2023. When the form is used, a copy of the form must be maintained in the mortgage loan file and any data provided must also be shared via Desktop Underwriter® (DU®) when a loan is submitted for underwriting.

The following Fannie Mae resources are available to assist with the implementation and use of the form:

- Form 1103
- Form 1103 Instructions
- Form 1003 Webpage
- Multi-Language Resources for Lenders

The MPF Program will announce any additional operational information as it becomes available.

Reference

Fannie Mae Lender Letter LL-2022-03

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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Fannie Mae®

Lender Letter (LL-2022-03)

July 6, 2022

To: All Fannie Mae Single-Family Sellers
Supplemental Consumer Information Form (Form 1103)

On May 3, 2022, FHFA announced the mandatory use of the *Supplemental Consumer Information Form (Form 1103)* for loans sold to Fannie Mae and Freddie Mac with application dates on or after March 1, 2023. The purpose of this Lender Letter is to notify lenders of this requirement well in advance of the mandatory effective date so that preparations can begin. We will incorporate this policy in the *Selling Guide* later this year (closer to the effective date).

Introduction

Form 1103 captures information about homeownership education or housing counseling programs completed by the borrower along with the borrower's language preference. The form was created in 2021 and is currently optional. Based on FHFA's announcement, lenders will be required to present the form to borrowers and to report any data collected from the form to Fannie Mae.

> **NOTE:** *The English version of Form 1103 and the five translated versions of the form – Spanish, traditional Chinese, Vietnamese, Korean, and Tagalog – were recently published on our Multi-Language Resources website with minor updates.*

Completion of the Form

Homeownership Education and Housing Counseling: High-quality homeownership education and housing counseling can provide borrowers with information and resources to make informed decisions that support long-term homeownership sustainability.

The lender or borrower should complete the education and counseling sections of the form if required by the *Selling Guide*, B2-2-06, Homeownership Education and Housing Counseling. This section can also be completed if the borrower obtained education or counseling even if not required for the specific transaction.

Language Preference: The lender must present the form to the borrower to provide a preferred language preference. The borrower is not required to select any of the language options in the "Language Preference" and may leave this section blank. As a result, there may be instances where the form in the loan file only includes the loan identifier information and the borrower name.The lender may inform the borrower that the answer will NOT negatively affect the mortgage application and explain the instructions and other information provided for use of the form.

Effective: If lenders are not already using this form, they may begin doing so immediately. A copy of the form must be maintained in the loan file for all loans with application dates beginning March 1, 2023 and any data provided must be shared with us via Desktop Underwriter® (DU®) when a loan is submitted for underwriting.

Resources

The data on Form 1103 is currently supported in Desktop Originator® (DO®) and DU user interfaces and the related automated underwriting system (AUS) dataset, the DU Specification MISMO V. 3.4. We recently pre-announced minor changes to conditionality that will be made in the next update of the DU Spec, which is targeted for Q3 2022. Additional information will be forthcoming.

The following resources are available to assist lenders with the implementation and use of this form:

- Form 1103
- Form 1103 Instructions
- Form 1003 Webpage
- Multi-Language Resources for Lenders

Lenders may contact their Fannie Mae Account Team if they have questions about this Lender Letter.
Have guide questions? Get answers to all your policy questions, straight from the source. Ask Poli.

Let your voice be heard! We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Lender Letter.

Provide feedback