

MPF Announcement:

2023-63

Date:

August 21, 2023

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 (unless otherwise noted)

MPF Xtra Selling Updates – FNMA SEL-2023-07

Fannie Mae published [SEL-2023-07](#), which covers the below referenced topics that are applicable to mortgage loans sold under the MPF Xtra product:

- Updated the Appraiser Independence Requirements (AIR) and introduced Property Data Collector Independence Requirements (PDCIR).
Effective Date: The PDCIR is effective for mortgage loans with application dates on and after November 1, 2023.
- Clarified requirements for Credit Reports to indicate that when the Borrower has an APO, FPO or DPO military address, it does not need to be located within the U.S. to obtain a credit report compatible with Desktop Underwriter[®] (DU[®]) loan casefile requirements.

Reference

[Fannie Mae Selling Guide SEL-2023-07](#)

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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-2023-07)

Aug. 02, 2023

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

- [Appraiser and Property Data Collector Independence Requirements](#): updating the Appraiser Independence Requirements and introducing Property Data Collector Independence Requirements
- [Miscellaneous updates](#):
 - Military addresses for credit reports
 - Requirements for special servicer approval via Servicing Marketplace™
 - Triparty wiring instruction agreement

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

Appraiser and Property Data Collector Independence Requirements

In collaboration with Freddie Mac, we updated the Appraiser Independence Requirements (AIR) and introduced Property Data Collector Independence Requirements (PDCIR). These independence requirements are designed to protect the integrity of the collateral valuation process for mortgage lending, and manage risk for lenders, investors, and borrowers.

We updated the AIR to:

- clarify that mortgage brokers, loan officers/loan originators, and production staff are not allowed to order appraisals, or be involved in the collateral valuation process at all. These parties are now referred to as “Restricted Parties;”
- clarify that appraisers, appraisal management companies, and appraisal firms all fall under the same protections and are referred to as “Independent Parties;” and
- improve readability and clarity through reorganization of the content and other improvements.

We developed and introduced the new PDCIR to address property data collector independence requirements similar to those in AIR for Fannie Mae and Freddie Mac loans. The PDCIR is effective for loans with application dates on and after Nov. 1, 2023.

Miscellaneous updates

Military addresses for credit reports: We clarified in [B3-5.2-01, Requirements for Credit Reports](#), that when the borrower has an APO, FPO or DPO military address, it does not need to be located within the U.S. to obtain a credit report compatible with Desktop Underwriter® (DU®) loan casefile requirements. This change aligns policy with DU functionality.

Requirements for seller/servicer approval for Servicing Marketplace (SMP): We amended our requirements in [A2-1-01, Contractual Obligations for Sellers/Servicers](#) and [A3-3-02, Concurrent Servicing Transfers](#) allowing lenders to arrange for a concurrent sale of servicing in SMP to an approved Fannie Mae servicer (also known as bifurcation). The approval of a servicer for participation in SMP will now require execution of an addendum to the Mortgage Selling and Servicing Contract (MSSC) and certain other provisions for eligibility will now be included in the *Selling Guide*. Sellers/servicers already approved for SMP as of the date of this announcement will be contacted by their customer account team to implement a transition to the MSSC addendum and retirement of the current variance.



Triparty wiring instruction agreement: We removed C2-2-08, Triparty Wiring Instruction Agreement from the *Selling Guide* to align with the onboarding process for new customers. The contact information in [E-1-02, List of Contacts](#) was also updated.

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 Aug. 02, 2023)
Appraiser and Property Data Collector Independence Requirements	<ul style="list-style-type: none">▪ A2-2-07, Life-of-Loan Representations and Warranties▪ A3-2-01, Compliance with Laws▪ B4-1.1-02, Lender Responsibilities▪ B4-1.4-11, Value Acceptance + Property Data