

**MPF Announcement:**

2023-89

**Date:**

November 30, 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<sup>®</sup>

**Effective Date:**

January 1, 2024

## MPF Traditional – ALTA Forms Update

The American Land Title Association (ALTA) released 2021 revisions to their loan policy forms. The MPF Traditional Selling Guide was updated to reflect the use of these updated forms.

**PFIs may begin using the 2021 version of the ALTA title insurance policy forms immediately but are required to with mortgage loans originated on or after January 1, 2024.**

As a reminder, in states where standard ALTA forms of coverage are by law or regulation not used, the state-promulgated standard or short form that provides the same coverage as the ALTA equivalent form is acceptable, provided those forms do not materially impair title protection to the MPF Program.

For additional information see Section 9.3.3 ALTA Policy Form of the MPF Traditional Selling Guide.

### Reference

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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# Selling Guide Announcement (SEL-2022-06)

July 6, 2022

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

- [Compliance with Address Confidentiality Programs](#): adding additional requirements for sellers/servicers to comply with state laws
- [ALTA® forms update](#): revising the required versions of title insurance forms
- [Calculating the LTV ratio for manufactured home subdivisions](#): clarifying how to calculate the LTV ratio for a loan secured by an existing manufactured home on a purchase transaction

In addition, an update to the following is described in this Announcement:

- [List of approved mortgage insurers and approved mortgage insurance forms](#): incorporates changes to these third-party companies and related forms

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

## Compliance with Address Confidentiality Programs

Several states have Safe at Home laws, also called Address Confidentiality Programs, which are designed to protect victims of domestic violence and other acts of intimidation and physical violence. One of the functions of these programs is to shield the individual's property address by providing them with a legal substitute mailing address to keep their physical address confidential. We updated our Guide to include a requirement that sellers and servicers must comply with all applicable statutes in states that offer an Address Confidentiality Program.

For a loan in which a borrower is enrolled in a state Address Confidentiality Program, the seller/servicer must

- include both a property address and separate mailing address at loan delivery,
- report Special Feature Code (SFC) 877,
- for a loan that it services, complete the [post-purchase adjustment process](#) within 5 days of receiving notification that a borrower has enrolled in, or has unenrolled in, one of these programs, and
- provide notice of program enrollment and the borrower mailing address to any transferee servicer upon the transfer of servicing rights.

**Effective:** Sellers/servicers are encouraged to implement these policy changes immediately but must comply by Sept. 1, 2022. Currently, the post-purchase adjustment process for purposes of Address Confidentiality Programs only allows for the addition of the SFC. Until a future update occurs enabling the seller/servicer to include the legal substitute mailing address, you will be contacted by Fannie Mae to obtain the substitute mailing address upon initiating the post-purchase adjustment process. Additionally, the *Servicing Guide* will be updated on July 13, 2022 to reflect the servicing transfer requirements.

## ALTA forms update

The American Land Title Association (ALTA) released 2021 revisions to their loan policy forms. These new forms reflect changes in the marketplace initiated by evolving business practices, advancements in electronic notarizations, and other changes to laws



and regulations. We have updated our Guide to reflect use of these updated forms and to differentiate between the use of the 2006 and 2021 versions.

As a reminder, in states where standard ALTA forms of coverage are by law or regulation not used, the state-promulgated standard or short form that provides the same coverage as the ALTA equivalent form is acceptable, provided those forms do not materially impair title protection to Fannie Mae.

**Effective:** Lenders may begin using the 2021 version of ALTA forms immediately but must do so by Jan. 1, 2024.

## Calculating the LTV ratio for manufactured home subdivisions

To encourage development of manufactured home subdivisions as an affordable housing option, we further clarified how to calculate the LTV ratio (and CLTV and HCLTV ratio, if applicable) for a purchase transaction on an existing manufactured home.

When an existing manufactured home is being sold to a consumer by a builder, developer, or manufacturer acting as a developer as part of a new or existing manufactured home subdivision, the LTV ratio will be based on the lower of:

- the sales price of the manufactured home and land, or
- the current appraised value of the manufactured home and land.

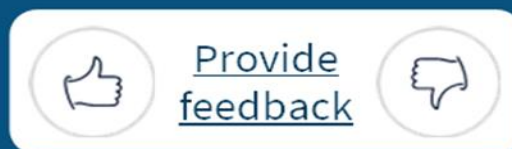
**Effective:** Lenders may take advantage of this clarification to policy immediately. A new message will be added to Desktop Underwriter® (DU®) the weekend of Aug. 20, 2022, to remind lenders what value should be entered into DU as the appraised value on the purchase of an existing manufactured home.

## List of approved mortgage insurers and approved mortgage insurance forms

We updated [Approved Mortgage Insurers and Related Identifiers](#) to delete references to two previously approved mortgage insurers that no longer exist and reorganized the content. Additionally, we updated [Approved Mortgage Insurance Forms](#) to add four new signatory change endorsements for Essent Guaranty, Inc. and deleted a discontinued endorsement for Radian Guaranty Inc.

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](#).

**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 Announcement.





## Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated July 06, 2022)
<b>Compliance with Address Confidentiality Programs</b>	<ul style="list-style-type: none"><li data-bbox="561 352 954 380">▪ <a href="#">A3-2-01, Compliance with Laws</a></li></ul>
<b>ALTA forms update</b>	<ul style="list-style-type: none"><li data-bbox="561 453 1073 480">▪ <a href="#">B7-2-03, General Title Insurance Coverage</a></li><li data-bbox="561 501 1240 529">▪ <a href="#">B7-2-04, Special Title Insurance Coverage Considerations</a></li><li data-bbox="561 550 1084 577">▪ <a href="#">B7-2-05, Title Exceptions and Impediments</a></li></ul>
<b>Calculating the LTV ratio for manufactured home subdivisions</b>	<ul style="list-style-type: none"><li data-bbox="561 611 1273 638">▪ <a href="#">B5-2-03, Manufactured Housing Underwriting Requirements</a></li></ul>