

MPF Announcement:

2023-96

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[®]

Effective Date:

Immediately (unless otherwise noted)

MPF Xtra Selling Updates – FNMA SEL-2023-10

Fannie Mae published [SEL-2023-10](#), which covers the below referenced topics that are applicable to mortgage loans sold under the MPF Xtra product:

- Clarified the employment offers or contract policy to reinforce that an employment offer or contract for future employment from a family member or interested party to the transaction is prohibited.
- Clarified the shared appreciation policy with regard to unauthorized transfers of ownership or change in occupancy status.

Reference

[Fannie Mae Selling Guide SEL-2023-10](#)

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](#).

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-2023-10)

Nov. 1, 2023

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

- [Employment offers or contracts](#): prohibits an employment offer or contract for future employment from a family member or interested party to the transaction
- [Lender staffing, training, and policies and procedures](#): updating general lender requirements regarding lender staffing, training, and policies and procedures to maintain seller/servicer eligibility
- [Shared appreciation](#): clarifying the policy in regard to an unauthorized transfer of ownership or change in occupancy status

In addition, we updated *Special Lender Approval Form (Form 1000A)* to make it easier for lenders to apply to sell or acquire servicing for HomeStyle® Renovation Mortgages. The updated form will provide an option for standard or conditional approval depending on whether the lender will manage the renovation services in-house or leverage a third-party vendor.

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

Employment offers or contracts

We revised our policy to make it clear that when a borrower is scheduled to begin new employment under the terms of an employment offer or contract, the offer or contract cannot be for employment by a family member or interested party to the transaction. This requirement applies regardless of whether a paystub is obtained prior to loan delivery.

Effective: Lenders are encouraged to implement this change immediately but must do so for all loans with application dates on and after Feb. 1, 2024.

Lender staffing, training, and policies and procedures

We updated the *Selling Guide* to include general lender requirements regarding lender staffing, training, and policies and procedures to maintain seller/servicer eligibility. Lenders should have effective and fully documented written policies and procedures that ensure that its staff and any outsourcing and third-party vendors used by the seller consistently comply with our requirements.

Shared appreciation

In May 2023, we made several changes to the shared appreciation policy that aligned our requirements with current industry best practices. This update provides additional clarification to the repayment distribution requirements to permit acceleration of a shared appreciation payment in connection with an unauthorized transfer of ownership or change in occupancy status of the property. It also clarifies what portion of shared appreciation proceeds must be applied against the first mortgage loan.



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 Nov. 01, 2023)
Employment offers or contracts	<ul style="list-style-type: none">▪ B3-3.1-09, Other Sources of Income
Lender staffing, training, and policies and procedures	<ul style="list-style-type: none">▪ A4-1-01, Maintaining Seller/Service Eligibility
Shared appreciation	<ul style="list-style-type: none">▪ B5-5.1-03, Community Seconds: Shared Appreciation Transactions