

MPF Announcement:

2025-50

Date:

June 17, 2025

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-2025-04

Fannie Mae published [SEL-2025-04](#) which covers the below referenced topics that are applicable to mortgage loans sold under the MPF Xtra product:

Reference

[Fannie Mae Selling Guide SEL-2025-04](#)

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](#).

Follow Us

- **Uniform Appraisal Dataset 3.6:**
 - Introduced a policy supplement outlining key changes to appraisal forms, policies and requirement for lenders using UAD 3.6

Effective Date: Originators are encouraged to use UAD 3.6 and implement these policy changes beginning January 26, 2026, but must do so for all new appraisal reports submitted to the UCDP on or after November 2, 2026.

- **American National Standards Institute (ANSI) language:**
 - Aligned the Selling Guide with ANSI Z765-2021 measurement terminology.

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.

For questions or assistance, please contact the MPF Service Center by using one of the following options:

- [MPF Customer Service Portal](#)
- Email: MPF-Help@fhlbc.com
- Phone: (877) 345-2673

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Selling Guide Announcement (SEL-2025-04)

June 4, 2025

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

- [Uniform Appraisal Dataset 3.6](#): introducing a policy supplement outlining key changes to appraisal forms, policies and requirement for lenders using UAD 3.6
- [Updated American National Standards Institute](#): aligning the *Selling Guide* with ANSI Z765-2021 measurement terminology
- [Modernization of lender quality control requirements](#): revamps requirements for lender QC processes
- [Miscellaneous update](#):
 - Limited cash-out refinance transactions

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

Uniform Appraisal Dataset 3.6

To facilitate Fannie Mae and Freddie Mac's expansion to the Uniform Appraisal Dataset (UAD) 3.6 specifications and redesigned *Uniform Residential Appraisal Report* (URAR), Fannie Mae has published the Fannie Mae *Selling Guide* Supplement: Uniform Appraisal Dataset (UAD) 3.6 Policy (the "*UAD 3.6 Policy Supplement*"). The impacted *Selling Guide* topics published in the *UAD 3.6 Supplement* can be accessed via the [Uniform Appraisal Dataset](#) webpage.

The following list summarizes the *Selling Guide* updates to align with UAD 3.6 and the URAR:

- introduces the dynamic URAR for all property types (for example, one-unit, condominium, and manufactured home) and property valuation methods (traditional, hybrid, and desktop),
- removes appraisal form numbers - 1004, 1004C, 1004 (Desktop), 1004 (Hybrid), 1025, 1004D, 1073, 1073 (Hybrid), 1075, 2055, and 2090,
- updates reporting of square footage,
- updates nomenclature to align with the UAD specifications and labels,
- updates property quality and condition rating definitions,
- expands labels to describe the statuses identified for quality and condition, and
- introduces the standalone *Restricted Appraisal Update Report* and *Completion Report*.

The UAD 3.6 Policy Supplement applies only to appraisal reports completed under UAD 3.6 and submitted to the Uniform Collateral Data Portal® (UCDP®) beginning Sept. 8, 2025, for lenders approved by Fannie Mae to use UAD 3.6, and for all lenders using UAD 3.6 starting Jan. 26, 2026. Fannie Mae policies for appraisals completed under UAD 2.6 remain in the current *Selling Guide*.



Effective: Lenders are encouraged to use UAD 3.6 and implement these policy changes beginning Jan. 26, 2026, but must do so for all new appraisal reports submitted to the UCDP on or after Nov. 2, 2026.

Update American National Standards Institute (ANSI) language

We updated the *Selling Guide* to align with ANSI® Z765-2021 (“ANSI Standard”) measurement terminology. Legacy terms like gross living area and basement were replaced with above-grade and below-grade finished area.

The “GXX001-” exception code has also been removed, requiring appraisers to fully comply with the ANSI Standard, including any required declarations.

We will continue to allow the use of an alternate measuring standard when mandated by state law or regulatory requirement.

Effective: Lenders must comply with this updated policy for all loan applications dated on and after Sept. 8, 2025.

Modernization of lender quality control requirements

We updated *Selling Guide Subpart D1, Lender QC Process*, to introduce updates and flexibilities to clarify Fannie Mae’s expectations for QC programs and processes and to enable lender efficiencies.

Given the extent of revisions, an [Attachment](#) to this Announcement provides details of the key changes to policy. In addition to the updates described in the attachment, we have

- reorganized and restructured content for ease of use and consistency,
- enhanced existing policy with new concepts, example scenarios, and best practices; and
- revised terminology to conform with industry standards and practices. As an example, prepurchase QC includes prepurchase QC for correspondent loans.

Some topics in *Chapter D1-3, Lender Post-Closing QC Mortgage Review*, have been deleted because of this effort. Requirements for developing and maintaining a documented process to monitor appraisers and property data collectors have been moved to *Part B*.

Effective: Lenders are encouraged to implement these changes immediately but must do so for all QC reviews conducted on or after Sept. 2, 2025.

Miscellaneous update

B2-1.3-02, Limited Cash-Out Refinance Transactions and B5-6-01, HomeReady Mortgage Loan and Borrower Eligibility: for limited cash-out refinances with LTV, CLTV, or HCLTV ratios of 95.01% - 97%, we clarified when DU is able to identify the borrower’s existing loan is owned (or securitized) by Fannie Mae, the lender may rely on the DU finding as documentation for this requirement.

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](#).



Attachment

The following table describes key changes made throughout *Subpart D1, Lender QC Process*.

Selling Guide Topic*	Description of Change
D1-1-01, Lender Quality Control Programs, Plans, and Processes	<p><i>QC Review of Third-Party Originations</i></p> <ul style="list-style-type: none"> Established a separate block for third-party originations to make the content easier for lenders to locate and enhanced it with a requirement the lender must include a post-closing, stratified random sample of the loans received from third-party originators. Loans must be selected for review on at least a monthly basis and must be full-file reviews. Further, third-party originators with elevated risks must be targeted in prefunding QC loan selections and post-closing QC discretionary selections. Retired the “1 loan in 12 months” policy. Added third-party origination defects and findings to monthly reporting. <p><i>Reporting and Corrective Action</i></p> <ul style="list-style-type: none"> Added new components for corrective action: an established written action plan must also include root cause(s), responsible parties, and timeframes for completion among other requirements. <p><i>Self-Reporting to Fannie Mae</i></p> <ul style="list-style-type: none"> Clarified that “date of confirmation” is the date the lender publishes its QC report, and the self-reported loan is included in that report.
D1-1-02, Lender Quality Control Staffing and Outsourcing of the QC Process	<p><i>QC Functional Area Reporting Structure and Staffing</i></p> <ul style="list-style-type: none"> Added examples of collateral risk assessments and property data collection to the skill sets required for reviewers conducting specialized reviews.
(New Topic) D1-1-03, Lender Quality Control Reporting	<p><i>Prefunding and Prepurchase Reporting Requirements/ Post-Closing Reporting Requirements</i></p> <ul style="list-style-type: none"> Consolidated all QC reporting requirements - including those for prefunding, prepurchase, and post-closing into one topic. Included some additional reporting components such as rationale for each discretionary and component review, defect trending for all defect severity levels, summaries of monthly third-party origination reviews, resolution of specific defects, corrective action plans, and tracking of reverification results.
D1-2-01, Lender Prefunding Quality Control Review Process	<p><i>Loan Selection Process</i></p> <ul style="list-style-type: none"> Expanded flexibility to allow lenders to use 10% of the current month’s projected total number of loans to be originated or acquired for prefunding QC sample. <p><i>Review Types</i></p> <ul style="list-style-type: none"> Added occupancy assessment as a prefunding file review requirement.
D1-3-01, Lender Post-Closing Quality Control Review Process	<p><i>Loan Selection Process</i></p> <ul style="list-style-type: none"> Added new sampling requirements: lenders must conduct separate random or statistical reviews for their retail originations and third-party originations.
D1-3-02, Lender Post-Closing Quality Control Review of Approval Conditions,	<p><i>Review of Underwriting Decision and Approval Conditions</i></p> <ul style="list-style-type: none"> Added flexibility to MI assessment by shifting focus from collecting documentation to assessment of adequate MI coverage.



Underwriting Decisions, Data and Documentation	
D1-3-03, Lender Post-Closing Quality Control Reverifications	<p><i>Requirements for Reverifications</i></p> <ul style="list-style-type: none">▪ Relocated all requirements for reverifications to this topic, including those for income and employment, income using IRS tax transcripts, assets, credit history, property eligibility and property value, and occupancy.▪ Added clarification that the income/employment must be reverified through the closing date. Documentation of a replica of the initial income/employment verification does not meet this requirement.▪ Added guidance related to difficulties in obtaining IRS tax transcripts, previously included in a job aid.▪ Expanded option for the lender to reverify assets with a third-party asset report provider, in addition to the financial institution that is the source of the original documentation.▪ Added flexibility that reverification of comparable sales is no longer required for appraisals receiving a CU score of 2.5 or below if the lender satisfied all requirements for enforcement relief of representation and warranties.

*As some *Selling Guide* topic titles and numbers have changed, we are using the updated *Selling Guide* topic title and number for your convenience.



Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated June 04, 2025)
Uniform Appraisal Dataset 3.6	<ul style="list-style-type: none">▪ A2-1-01, Contractual Obligations for Sellers/Serviceers▪ A2-2-06, Representations and Warranties on Property Value▪ B2-3-01, General Property Eligibility▪ B2-3-02, Special Property Eligibility and Underwriting Considerations Factory Built Housing▪ B2-3-03, Special Property Eligibility and Underwriting Considerations Leasehold Estates▪ B2-3-04, Special Property Eligibility Considerations▪ B2-3-05, Properties Affected by a Disaster▪ B3-3.1-08, Rental Income▪ B4-1.1-01, Definition of Market Value▪ B4-1.1-02, Lender Responsibilities▪ B4-1.1-03, Appraiser Selection Criteria▪ B4-1.1-04, Unacceptable Appraisal Practices▪ B4-1.1-05, Disclosure of Information to Appraisers▪ B4-1.1-06, Uniform Appraisal Dataset (UAD) and the Uniform Collateral Data Portal (UCDP)▪ B4-1.2-01, Appraisal Report Forms and Exhibits▪ B4-1.2-02, Desktop Appraisals▪ B4-1.2-03, Hybrid Appraisals▪ B4-1.2-04, Appraisal Age and Use Requirements▪ B4-1.2-05, Requirements for Verifying Completion and Postponed Improvements▪ B4-1.3-01, Review of the Appraisal Report▪ B4-1.3-02, Subject and Contract Sections of the Appraisal Report▪ B4-1.3-03, Neighborhood Section of the Appraisal Report▪ B4-1.3-04, Site Section of the Appraisal Report▪ B4-1.3-05, Improvements Section of the Appraisal Report▪ B4-1.3-06, Property Condition and Quality of Construction of the Improvements



	<ul style="list-style-type: none">▪ B4-1.3-07, Sales Comparison Approach Section of the Appraisal Report▪ B4-1.3-08, Comparable Sales▪ B4-1.3-09, Adjustments to Comparable Sales▪ B4-1.3-10, Cost and Income Approach to Value▪ B4-1.3-11, Valuation Analysis and Reconciliation Report▪ B4-1.3-12, Appraisal Quality Matters▪ B4-1.4-01, Factory-Built Housing: Manufactured Housing▪ B4-1.4-05, Leasehold Interests Appraisal Requirements▪ B4-1.4-06, Community Land Trust Appraisal Requirements▪ B4-1.4-07, Mixed-Use Property Appraisal Requirements▪ B4-1.4-08, Environmental Hazards Appraisal Requirements▪ B4-1.4-09, Special Assessment or Community Facilities Districts Appraisal Requirements▪ B4-1.4-10, Value Acceptance (Appraisal Waiver)▪ B4-1.4-11, Value Acceptance + Property Data▪ B4-2.1-01, General Information on Project Standards▪ B4-2.2-06, Project Eligibility Review Service (PERS)▪ B5-3.1-01, Conversion of Construction-to-Permanent Financing: Overview▪ B5-3.1-02, Conversion of Construction-to-Permanent Financing: Single-Closing Transactions▪ B5-3.2-01, HomeStyle Renovation Mortgages▪ B5-3.2-05, HomeStyle Renovation Mortgages: Completion Certification▪ B5-3.3-01, HomeStyle Energy for Improvements on Existing Properties▪ B5-4.2-02, Disaster-Related Limited Cash-Out Refinance Flexibilities▪ B5-7-03, High LTV Refinance Alternative Qualification Path▪ E-1-01, References to Fannie Mae's Website
Updated American National Standards Institute	<ul style="list-style-type: none">▪ B2-3-02, Special Property Eligibility and Underwriting Considerations: Factory-Built Housing▪ B4-1.2-01, Appraisal Report Forms and Exhibits▪ B4-1.2-02, Desktop Appraisals▪ B4-1.3-05, Improvements Section of the Appraisal Report▪ B4-1.3-08, Comparable Sales▪ B4-1.3-09, Adjustments to Comparable Sales▪ B4-1.4-11, Value Acceptance + Property Data▪ E-2-02, Suggested Format for Phase I Environmental Hazard Assessments▪ E-3-06, Acronyms and Glossary of Defined Terms: F



	<ul style="list-style-type: none">▪ E-3-07, Acronyms and Glossary of Defined Terms: G▪ E-3-14, Acronyms and Glossary of Defined Terms: N
Modernization of Lender QC Requirements	<ul style="list-style-type: none">▪ Subpart D1, Lender QC Process▪ Chapter D1-1, Lender Quality Control Process▪ D1-1-01, Lender Quality Control Programs, Plans, and Processes▪ D1-1-02, Lender Quality Control Staffing and Outsourcing of the Quality Control Process▪ D1-1-03, Lender Quality Control Reporting (New topic)▪ Chapter D1-2, Lender Prefunding QC Mortgage Review▪ D1-2-01, Lender Prefunding Quality Control Review Process▪ Chapter D1-3, Lender Post-Closing QC Mortgage Review▪ D1-3-01, Lender Post-Closing Quality Control Review Process▪ D1-3-02, Lender Post-Closing Quality Control Review of Approval Conditions, Underwriting Decisions, Data, and Documentation▪ D1-3-03, Lender Post-Closing Quality Control Reverifications▪ D1-3-04, Lender Post-Closing Quality Control Review of Appraisers, Appraisals, Property Data Collectors, and Property Data Collection (DELETED)▪ D1-3-05, Lender Post-Closing Quality Control Review of Closing Documents (DELETED)▪ D1-3-06, Lender Post-Closing Quality Control Reporting, Record Retention, and Audit (DELETED)▪ B4-1.1-03, Appraiser Selection Criteria▪ B4-1.3-12, Appraisal Quality Matters▪ B4-1.4-11, Value Acceptance + Property Data▪ E-3-18, Acronyms and Glossary of Defined Terms: R