MPF® Announcement

MPF Announcement:
2026-50

Date:
August 7, 2026

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)

Reference

Fannie Mae Selling Guide SEL-2026-07

Fannie Mae Lender Letter LL-2026-03

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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MPF Xtra Selling Updates – FNMA LL-2026-03 and FNMA SEL-2026-07

Fannie Mae published Lender Letter 2026-03 and SEL-2026-07 incorporating corresponding Selling Guide updates, which cover the below referenced Selling topics, applicable to mortgage loans sold under the MPF Xtra product:

- **Updates to Project Standards & Property Insurance Requirements:**
  - Revisions related to condominium project eligibility, project review requirements, reserve funding requirements, and property insurance standards.

  Effective: Immediately

- **PERS requirements for manufactured housing with deed restrictions and single-section units**
  - Requirements for manufactured housing to streamline eligibility for certain condo and PUD projects. **Reminder:** Shared Equity Transactions are not eligible for delivery into the MPF Xtra Program.

  Effective date: Immediately

- **Miscellaneous updates:**
  - eMortgage Technical Requirements-
    Reminder: eNote loans involving inter vivos revocable trusts are not eligible for delivery into the MPF Program, including as MPF Xtra loans.
  - Credit and DTI Clarifications-
    Clarified treatment of authorized user tradelines and requirements for excluding certain debts paid by others from DTI calculations

Other topics mentioned in the Fannie Mae announcement do not apply to MPF Xtra.

Fannie Mae Lender Letter LL-2026-03 also incorporated servicing-related provisions addressing property insurance monitoring requirements, annual borrower insurance reminders, and lender-placed insurance. These changes will be reflected in a future update to the Fannie Mae Servicing Guide.

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

Fannie Mae®

Selling Guide Announcement (SEL-2026-07)

Aug. 05, 2026

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

- Incorporation of LL-2026-03, Updates to Project Standards & Property Insurance Requirements: incorporating previously communicated changes into the *Selling Guide*
- PERS requirements for manufactured housing with deed restrictions and single-section units: simplifying review requirements for certain affordable housing types
- Lease term requirements for ground lease co-ops: clarifying lease term requirements for eligible ground lease co-op projects
- 12-loan minimum requirement: removing minimum loan sale requirement for maintaining seller approval
- Miscellaneous updates:
    - eMortgage technical requirements for Inter Vivos mortgages
    - Authorized user tradelines
    - Green MBS

View the list of impacted topics.

Incorporation of LL-2026-03, Updates to Project Standards & Property Insurance Requirements

We updated the *Selling Guide* to incorporate most of the policy changes communicated via Lender Letter LL-2026-03, *Updates to Project Standards & Property Insurance Requirements*.

The following guidance applies specifically to the project standards updates:

- New standards for required reserves for projects will not be incorporated into the *Selling Guide* until after Jan. 4, 2027, when this change goes into effect for new loan applications.
- Despite the revision to *Delivery Requirements* in B4-2.1-01, General Information on Project Standards, when delivering loans eligible under the Limited Review Process based on loan application date before Aug. 3, 2026, lenders must continue to use Project Type Code Q Limited Review – Established condo project, as applicable.

The following guidance applies specifically to the property insurance updates:

- We made minor edits to align property insurance requirements for HomeStyle ® Renovation and HomeStyle ® Refresh mortgage with these updates.
- To improve clarity and flow when incorporating these policy updates, some content in *Chapter* B7-3, Property and Flood Insurance, has been reorganized. No additional policy changes were made.
- The *Servicing Guide* will be updated on Aug. 12, 2026, with related property insurance requirements specific to servicers only.

Effective: Unless otherwise noted above, all policy changes are already effective in accordance with the Lender Letter.

PERS requirements for manufactured housing with deed restrictions and single-section units

We updated Project Eligibility Review Service (PERS) requirements for manufactured housing to streamline eligibility for certain condo and PUD projects.

Updates include:

- Lender-delegated Full Review for new condo projects with manufactured homes, and new or established condo projects with single-section units and/or eligible deed/resale restrictions, and
- Waiver of Project Review for new and established manufactured home PUD projects with eligible deed/resale restrictions.

Lenders must continue to complete a PERS submission for manufactured homes subject to community land trust, ground lease, or shared equity arrangements.

These changes are anticipated to reduce costs and cycle times related to the PERS submission process, and support expanded access to affordable housing, including age-restricted manufactured housing communities.

Effective: These policy changes are effective immediately.

Lease term requirements for ground lease co-ops

The *Selling Guide* requires a ground lease term to extend at least five years beyond the loan maturity date. Many co-op ground leases, however, include renewal or extension options that cannot be exercised by co-op corporations until late in the lease term, making it difficult to meet this requirement.

Some states now allow co-op corporations to exercise renewal or extension options earlier than the lease otherwise permits. For example, New York legislature recently enacted a law permitting certain co-op corporations to renew or extend eligible ground leases before the timing specified in the lease.

For co-op projects located in jurisdictions where applicable state law permits the early exercise of ground lease renewal or extension options, lenders may accept the exercised renewal or extension to determine compliance with the minimum remaining lease term requirement if all the following apply:

- The resulting lease term meets *Selling Guide* requirements.
- The lender obtains written confirmation from either the ground lessor or legal counsel to the co-op corporation, confirming that the early renewal or extension:
  - was exercised in accordance with the lease and applicable law, and
  - is binding on the ground lessor.

Effective: These policy changes are effective immediately.

12-loan minimum requirement

We updated the *Selling Guide* to eliminate the minimum loan sale maintaining seller approval. Sellers must continue to meet the requirements in A4-1-01, Maintaining Seller/Servicer Eligibility and have the ongoing capacity to originate and sell loans in accordance with their Lender Contract.

Effective: This policy change is effective immediately.

Miscellaneous Updates

E-2-04, Signature Requirements for Mortgages to Inter Vivos Revocable Trusts: We made updates to refer to *eMortgage Technical Requirements* for additional information regarding eNote loans with *inter vivos* trusts, which include the limitation that only one *inter vivos* trust can be represented on an eNote.

B3-5.3-09, DU Credit Report Analysis and **B3-6-05, Monthly Debt Obligations**: We clarified the treatment of authorized user tradelines for loans that receive a DU Approve/Eligible recommendation, and lender requirements for excluding certain debts paid by others from the borrower's recurring monthly obligations and the DTI ratio.

C1-2-05, Delivering Green MBS to Fannie Mae and **C3-6-01, Parameters for Pooling Loans Into Fannie Majors**: In 2024, Fannie Mae expanded its *Selling Guide* policies to support the issuance of whole loan and lender-formed Green MBS pools. Effective immediately, we are discontinuing Single-Family Green MBS issuance and have removed all related policies from our Guide.

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 *Selling Guide* Topics (Dated Aug. 05, 2026)
Incorporation of LL-2026-03	▪ B4-2.1-01, General Information on Project Standards ▪ B4-2.1-02, Waiver of Project Review ▪ B4-2.1-03, Ineligible Projects ▪ B4-2.2, Project Eligibility ○ Limited Review Process (DELETED) ▪ B4-2.2-01, Full Review Process* ▪ B4-2.2-02, Full Review: Additional Eligibility Requirements for Units in New and Newly Converted Condo Projects* ○ Geographic-Specific Condo Project Considerations (DELETED) ▪ B4-2.2-04, Project Eligibility Review Service (PERS)* ▪ B5-3.2-05, HomeStyle Renovation Mortgages: Completion Certification ▪ B5-3.3-01, HomeStyle Refresh for Improvements on Existing Properties ▪ B7-3, Property and Flood Insurance ▪ B7-3-02, Property Insurance Requirements for One- to Four-Unit Properties ▪ B7-3-03, Master Property Insurance Requirements for Project Developments ▪ B7-3-04, Property Insurance Requirements for Individual Units in a Project Development ▪ B7-3-07, Evidence of Property Insurance ▪ B7-4-01, General Liability Insurance Requirements for Project Developments ▪ B7-4-02, Fidelity/Crime Insurance Requirements for Project Developments
PERS Requirements for MH with deed restrictions and single-section units	▪ B4-2.1-01, General Information on Project Standards ▪ B4-2.1-02, Waiver of Project Review ▪ B4-2.2-01, Full Review Process* ▪ B4-2.2-04, Project Eligibility Review Service (PERS)* ▪ B4-2.3-01, Eligibility Requirements for Units in PUD Projects ▪ B5-5.2-02, Loans with Resale Restrictions: Eligibility, Collateral and Delivery Requirements
Lease term requirements for ground lease co-ops	▪ B2-3-03, Special Property Eligibility and Underwriting Considerations: Leasehold Estates
12-loan minimum requirement	▪ A4-1-01, Maintaining Seller/Servicer Eligibility

*Indicates topics renumbered as a result of deletions.

