



WHOLESALE ANNOUNCEMENT 2024-41

May 22, 2024

Fannie Mae Update

Effective Date

Effective immediately

Update/Summary

Fannie Mae-Trust Income

- Fannie Mae has clarified their policy regarding trust income to include the following:
 - Trust verification documentation must clearly identify the date the trust was created so lenders can appropriately apply their policy.
 - Trust verification documentation may include a letter from an accountant or attorney who has reviewed the trust's documentation, when the trustee's statement or other documents are not available or when the borrower is trustee.
 - Trusts created within 12 months of the loan application date and funded by the borrower's employment-related assets may still be used as income but must meet the income calculation and all other requirements in Employment-Related Assets as Qualifying Income.
 - When variable trust income has been received for less than 24 months, but not less than 12 months, the lender may consider it as stable income when other positive factors are present that reasonably offset the shorter income history in alignment with our standard variable income guidelines
 - For variable trust income, lenders may rely upon copies of the trust's federal income tax returns, as an alternative to the borrower's personal tax returns

Should you have any questions, please reach out to your Account Executive or Client Manager