

February 26, 2025

Fannie Mae Update

Effective Date

Effective immediately

Update:

Desktop Underwriter Version 12.0 Policy Updates

With the release of Desktop Underwriter (DU) Version, Fannie Mae has updated the Selling Guide requirements specific to these policies:

Cash Flow Assessment With Bank Statements

- DU Version 11.1 conducts a cash flow assessment on loan casefiles where no borrower has a credit score. DU Version 12.0 conducts a cash flow assessment for certain loan casefiles when a 12-month asset verification report is submitted regardless of whether the borrower has a credit score. Note that there are no changes to the existing policy permitting 12-month asset verification report to be used to satisfy the nontraditional credit history requirements for borrowers without credit scores when a cash flow assessment is performed.

Positive Rent Payment History

- DU Version 11.1 only considers positive rent payment history using a 12-month asset verification report for first-time homebuyers purchasing a principal residence and requires the borrower to have a credit score. With DU Version 12.0, Fannie Mae expanded the evaluation of rent payment history to include certain additional borrowers paying rent, even if that borrower has had an ownership interest in another property in the last three years. For certain loan casefiles, DU can consider a borrower's rent payment history identified on a credit report, in addition to a 12-month third-party asset verification report. Furthermore, to be eligible for the positive rent payment history offering, borrowers are no longer required to have a credit score and must meet one of the following requirements:
 - not have a mortgage or second lien appearing on their credit report,
 - have no credit score, or
 - have a limited credit history

Borrowers With Nontraditional credit

- **No borrower has a credit score:** In DU Version 11.1, only certain transactions are permitted when no borrower on the loan application has a credit score. With DU Version 12.0, Fannie Mae expanded the types of loans eligible for these borrowers and updated the Selling Guide with the following requirements:

WHOLESALE ANNOUNCEMENT 2025-13

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Borrower Credit Profile	Eligibility Requirements Applied
<ul style="list-style-type: none"> No borrower has a credit score At least one borrower has a minimum of one credit account or installment account reported on their credit report 	<ul style="list-style-type: none"> No limitations on loan purpose or occupancy, the loan application will be subject to standard eligibility guidelines Risk assessed using the borrower's reported credit
<ul style="list-style-type: none"> No borrower has a credit score. No borrower has at least one credit account or installment account reported on their credit report. 	<ul style="list-style-type: none"> Property must be a one- to four-unit, principal residence, and all borrowers must occupy the property. Transaction must be a purchase or limited cashout refinance.

Nontraditional credit references will be required for each borrower without a credit score. This can be completed manually or by providing a 12-month asset verification report and obtaining a cash flow assessment through DU.

- At least one borrower has no credit score and another borrower has a credit score:** In DU Version 11.1, when one borrower on the loan application has no credit score and another borrower has a credit score, only certain transactions are permitted (for example, one-unit, principal residence). These transactions will no longer be subject to limitations on loan purpose or occupancy and will now be subject to standard eligibility guidelines.

For these transactions, when the borrower with a credit score is contributing 50% or less of the qualifying income, DU will continue to require the lender to document a nontraditional credit history for each borrower without a credit score. This can be completed manually or by providing a 12-month asset verification report and obtaining a cash flow assessment through DU.

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