

Effective Date

Lenders may apply these changes immediately but must do so for loans with application dates on or after June 1, 2026.

Update:

Income Assessment Policy Updates and Clarifications

Fannie Mae has updated Chapter B3-3, Income Assessment of the Selling Guide to make it more consistent and easier to navigate.

Chapter B3-3, Income Assessment has been restructured into a clearer, more modular format that includes:

- General income principles and income-type-specific requirements
- Separate topics for each income type (such as base income, retirement income, and variable income)
- Standard tables for each income type that consolidate documentation, history, continuity, and calculation requirements
- Consistent terminology and level of detail across income sources to reduce interpretation challenges

These updates introduce new policies, policy changes and clarifications to improve clarity and consistency. Given the extent of these revisions, the matrix below provides a detailed summary of the updates. Additionally, a list of related new policies, policy changes, and clarifications arranged by Selling Guide topic is available on the website.

| Headers | Summary |
|--|---|
| New Policy | |
| Alimony, Child Support, Equalization Payments, and Separate Maintenance | Adding requirements for Equalization Payments |
| Annuity, Pension or Retirement Income | Permitting personal and insurance annuity as allowable income types and outlining documentation and history of receipt requirements |
| Continuance of Income | Requiring income continuance to be based on the note date |
| Employment by a Family /Interested Party | Documenting and qualifying income when the borrower is employed by a family member or interested party |

WHOLESALE ANNOUNCEMENT 2026-27

March 18, 2026

Fannie Mae Update

| Headers | Summary |
|--|--|
| New Policy | |
| Employment Gaps | Adding guidance for borrowers with employment gaps in the most recent 12 months |
| Fixed Base Income | Enhancing clarity and consistency in the treatment of this income, including the definition of fixed base income, and providing guidance for income history |
| Housing (Parsonage) and Automobile Allowances | Outlining documentation requirements and reducing the required history of receipt for auto allowance from two years to one year |
| Pay Raises | Adding guidance for qualifying borrowers with a recent pay increase from the same employer |
| Public Assistance | Permitting Adoption Assistance as an acceptable public assistance income type, with verification that at least one payment has been received by the first due date |
| Seasonal Income | Providing guidance for calculating qualifying income |
| Section 8 Housing Choice Voucher Homeownership Program Payments | Requiring verification that at least one payment has been received by the first due date |
| Unemployment Benefit Income | Requiring income to be calculated by averaging the applicable months based on income trends |
| VA Benefits Income | Requiring verification that at least one payment has been received by the first due date and adding income continuance requirements |
| Variable Base Income | Clarifying requirements by defining variable base income, providing an alternative calculation method, and addressing when an employment job gap may be excluded |
| Bonus, Commission, Overtime, and Tip Income | Creating a single consolidated section addressing qualifying income and exclusion of job gaps due to documented non-recurring events |
| Employment Offers or Contracts | Requiring a verbal VOE for both options and clarifying guidance on the executed offer or contract |
| Foster Care Income | Revising documentation requirements and establishing that income must be calculated by averaging the applicable months based on income trends |



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| Headers | Summary |
|-------------------------------|--|
| New Policy | |
| Long-Term Disability | Establishing a requirement for the lender to verify receipt of at least one payment by the first due date |
| Military Income | Incorporating National Guard and Reserve members as eligible borrowers for military income, and providing additional guidance on the treatment of allowances |
| Secondary Employment | Eliminating the reference to secondary employment and introducing a standalone section clarifying requirements when a borrower is simultaneously employed in more than one job |
| Temporary Leave Income | Providing guidance on income continuance requirements during a period of temporary leave |

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

