



Selling Guide Announcement (SEL-2022-04)

May 4, 2022

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

- [Virtual currency](#): adding requirements on the use of virtual currency
- [Foreign assets](#): updating requirements on the source of funds from assets located outside of the United States and its territories
- [Community Seconds® providers](#): providing additional details on eligibility requirements
- [Unrecorded assignments of mortgage](#): eliminating the requirement to provide unrecorded assignments of mortgage for loans not registered with Mortgage Electronic Registration System, Inc. (MERS®)
- [Miscellaneous update](#)
 - Purchase Terminology

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

Virtual currency

We updated the *Selling Guide* to establish the following requirements for virtual currency (such as cryptocurrencies):

- Income paid in the form of virtual currency may not be considered when qualifying a borrower.
- Assets used to establish continuance for certain income types cannot be in the form of virtual currency.
- The purchase price of the property and any earnest money deposit may not be designated in virtual currency.
- The payment used as rental income must be in U.S. dollars.
- Payment on any installment debt secured by virtual currency must be included in the debt-to-income ratio calculation.

Virtual currency that has been exchanged into U.S. dollars is acceptable for the down payment, closing costs, and financial reserves provided

- there is documented evidence that the virtual currency was exchanged into U.S. dollars and is held in a U.S. or state regulated financial institution, and
- the funds are verified in U.S. dollars prior to the loan closing.

Effective: These policies are effective immediately.

Foreign assets

We updated our policy on foreign assets used for qualifying a borrower regardless of citizenship status. When the source of funds needed for down payment, closing costs, or financial reserves originates from assets located outside of the United States and its territories, those assets must be exchanged and transferred into a U.S. or state-regulated financial institution and must be verified prior to the closing of the loan. Additionally, we made a corresponding clarification that all income and asset documents of foreign origin must be completed in English, or the originator must provide a translation, attached to each document, and ensure the translation is complete and accurate.

Effective: Lenders may take advantage of these policy updates immediately but must do so for loans with application dates on and after July 1, 2022.



Community Seconds providers

To provide clarity, we updated the Guide to include an exhaustive list of all types of eligible Community Seconds providers and further defined applicable requirements. A Community Seconds loan may only be funded by one of the entities described in our Guide, provided they are not the property seller or other interested party in the transaction. See the *Selling Guide* for a complete list of eligible providers.

Effective: Lenders may take advantage of these clarifications immediately, but must ensure compliance with the updates by July 1, 2022.

Unrecorded assignments of mortgage

We updated the *Selling Guide* to incorporate the policies introduced in Lender Letter LL-2021-15. We are aligning the *Selling* and *Servicing Guides* by eliminating the requirement to provide unrecorded assignments of mortgage to Fannie Mae for loans not registered with MERS. We also added all requirements related to delivery of five original *Irrevocable Limited Power of Attorney (Form 520)*.

Effective: Sellers may immediately cease preparing unrecorded assignments for loans not registered in MERS and delivering the unrecorded assignments to the document custodian.

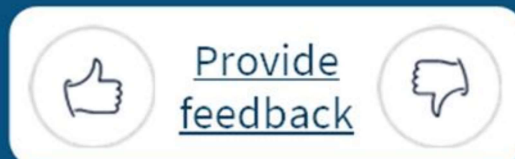
As communicated in LL-2015-15, all sellers/servicers must have completed and delivered five (5) original Form 520 to us by March 1, 2022. Failure to submit the forms may result in the suspension or termination of the rights to sell or service mortgage loans, or other consequences, until the completed forms are submitted.

Miscellaneous Update

Purchase terminology: In an effort to be consistent with our policies and related business applications, we are aligning the definitions of “purchased” and “funded” for whole loans across Pricing & Execution Whole Loan® (PE-Whole Loan®), Loan Delivery, and our *Selling Guide*. This will result in terminology changes to the Loan Delivery and PE-Whole Loan user interfaces beginning May 23, 2022. Minor edits were made to the *Selling Guide* to also reflect these changes.

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](#).

Let your voice be heard! We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Announcement.





Impacted Topics

Section of the Announcement	Updated <i>Selling Guide</i> Topics (Dated May 04, 2022)
Virtual currency	<ul style="list-style-type: none"> ▪ B3-3.1-01, General Income Information ▪ B3-3.1-08, Rental Income ▪ B3-3.1-09, Other Sources of Income ▪ B3-4.1-04, Virtual Currency ▪ B3-4.2-02, Depository Accounts ▪ B3-4.3-09, Earnest Money Deposit ▪ B3-6-01, General Information on Liabilities ▪ B3-6-02, Debt-to-Income Ratios ▪ B3-6-05, Monthly Debt Obligations ▪ E-3-16, Acronyms and Glossary of Defined Terms: P
Foreign assets	<ul style="list-style-type: none"> ▪ B3-2-02, DU Validation Service ▪ B3-3.1-09, Other Sources of Income ▪ B3-4.2-01, Verification of Deposits and Assets ▪ B3-4.2-05, Foreign Assets (formerly Verification of Assets for Non-US Citizen Borrowers)
Community seconds providers	<ul style="list-style-type: none"> ▪ B5-5.1-02, Community Seconds Loan Eligibility
Unrecorded assignments of mortgage	<ul style="list-style-type: none"> ▪ A2-4.1-01, Establishing Loan Files ▪ A2-4.1-03, Electronic Records, Signatures, and Transactions ▪ A3-3-02, Concurrent Servicing Transfers ▪ A3-3-04, Document Custodians ▪ A3-3-05, Custody of Mortgage Documents ▪ A4-1-04, Submission of Irrevocable Limited Power of Attorney – New topic ▪ B8-6-01, General Information – Deleted topic ▪ B8-6-02, Mortgage Assignment to Fannie Mae – Deleted topic ▪ B8-6-03, Authorized Use of Intervening and Blanket Assignments (New number B8-6-01 ▪ B8-7-01, Mortgage Electronic Registration Systems (MERS), Inc. ▪ E-2-01, Required Custodial Documents ▪ E3, Glossary of Fannie Mae Terms: C
Purchase Terminology	<ul style="list-style-type: none"> ▪ C1-1-01, Execution Options ▪ C2-1.1-02, General Information about Mandatory Commitment Pricing and Fees



- [C2-2-03, General Information on Whole Loan Purchasing Policies](#)
- [C2-2-04, Timing of Distribution of Whole Loan Purchase Proceeds](#)
- [C2-2-05, Whole Loan Purchasing Process](#)