



## IMPORTANT UPDATE

### BULLETIN 38 08202021

**Issued to:** All Channels

**Date:** 08-20-2021

**Subject:** FNMA & FHLMC Removal of COVID-19 Overlays

**Effective:** Immediately - For Current Loans in Pipeline and New Submissions

Great news! Effective immediately, Fannie Mae/Freddie Mac have removed the following COVID-19 overlays to Conventional products as noted below:

Conventional	
Previous Guidance	New Guidance
<b>Age of Documentation:</b>  <b>Age of documentation requirements-</b> to ensure the most up-to-date information is being considered and applies to all existing and new construction loans. <ul style="list-style-type: none"><li>• Credit documentation related to most income and asset must be no more than 60 days old as of the Note date.</li><li>• If an asset account is reported on a quarterly basis, the lender must obtain the most recently issued quarterly statement.</li><li>• For income verifications obtained from third-party verification service providers, the information must now be dated no more than 60 days prior to the Note Date.</li><li>• Does not apply to military income documented/LES statement, Social Security, retirement income, long-term disability. Refer to the Agency announcement for additional detail</li></ul>	<b>Removed</b>
<b>Market Based Assets:</b>  <b>Stocks, Stock Options, and Mutual Funds-</b> When the borrower is using stocks, stock options, or mutual funds for assets for: <ul style="list-style-type: none"><li>• Down payment or Closing Costs- evidence of receipt of funds realized from the sale or liquidation must be documented in all cases.</li></ul> Reserves- only 70% of the value of the asset must be considered, liquidation is not required.	<b>Removed</b>

The "**COVID-19 Temporary Guidance – All Products**" document has been updated to reflect above revisions. It is posted in the Resource Center in the Product Guidelines – Conventional and Government sub-folders.

This bulletin, and all other GHMC issued bulletins, are posted in the Resource Center in the Bulletins folder.

Please contact your Account Executive for assistance.

We appreciate your business!