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Fannie Mae and Freddie Mac Extend COVID-19 Origination Guidance

by the Mortgage Banking Group

On June 10, 2020, Fannie Mae in updates to Lender Letters [2020-03](#), [2020-04](#), and [2020-06](#) and Freddie Mac in Bulletin [2020-23](#) extend temporary COVID-19 origination guidance.

Eligibility for Sale of Loans in a COVID-19 Forbearance. In April 2020, Fannie Mae and Freddie Mac announced the temporary eligibility for sale of mortgage loans in a COVID-19 forbearance. The temporary eligibility applied to loans with a note date on or after February 1, 2020, and on or before May 31, 2020. In May 2020, Fannie Mae and Freddie Mac extended the eligible note date until June 30, 2020, and Freddie Mac subsequently modified the guidance on an unrelated point. In the recent announcements, Fannie Mae and Freddie Mac extend the eligible note date until July 31, 2020. They also updated the applicable delivery and settlement dates.

Credit Underwriting Policies. Various temporary origination policies based on COVID-19 – including age of documentation requirements, employment verification, requirements for borrowers using self-employment income, requirements for borrowers using market-based assets, and the ability to use powers of attorney for closings – are extended by Fannie Mae and Freddie Mac to apply through July 31, 2020 (the prior date was June 30, 2020). The policies previously were announced by Fannie Mae in Lender Letters 2020-03 and 2020-06 (and updates to the Lender Letters), and by Freddie Mac in Bulletins 2020-5 and 2020-8. Information on the prior announcements are available [here](#), [here](#), and [here](#).

Appraisals. With regard to the previously announced temporary appraisal flexibility in view of the difficulty of performing appraisals based on COVID-19, Fannie Mae and Freddie Mac extend the availability of such flexibility to apply to notes with application dates on or before July 31, 2020 (the prior date was June 30, 2020).