



MFM Bulletin: 017-2021

Date: August 19, 2021

Subject: Guidance on COVID-19 Related Doc. Requirement Updates

Fannie Mae and Freddie Mac have recently issued bulletins with updated guidance on COVID-19 related documentation requirements.

Effective immediately, Fannie Mae and Freddie Mac are updating the following requirements relating to the age of documentation and market-based asset policies that have been in place due to COVID-19. The following policies are now in place:

- Income and asset documentation may now be no more than 120 days old as of the date of the Mortgage Note (formerly 60 days). If an asset account is reported on a quarterly basis, the lender must obtain the most recently issued quarterly statement.
- When assets that are invested in stocks, bonds, mutual funds, U.S. government securities, retirement accounts or other securities are needed for closing, evidence of liquidation is required unless the combined value of the assets is at least 20% greater than the amount from these assets needed for closing. Previously, proof of liquidation for funds to close was ALWAYS required.

COVID-19 related requirements for self-employed borrowers and documentation verifying the status of all mortgage loans to verify payments are current as of the note date of the new transaction remain in effect until further notice.