



MFM Bulletin: 026-2025

Date: November 4, 2025

Subject: Government Shutdown Updates – Fannie and Freddie Reserve Requirements

With the government shutdown still in effect, mortgage loan applications dated on or after November 3, 2025 will now require one of the following for employment directly affected by the shutdown:

- **FNMA Requirements:** The borrower must have the greater of:
 - Two (2) months of documented reserves, or
 - The amount of reserves required by DU
- **FHLMC Requirements:** The borrower must have the greater of:
 - Two (2) months of documented reserves, or
 - The amount of reserves required by LP

Furloughed Government Employees

Mortgages made to government employees and other workers directly impacted by the shutdown (i.e., impacted Borrowers) are eligible for sale to Fannie Mae and Freddie Mac, even if the Borrower is not receiving pay (e.g., the Borrower is on furlough or is exempt from the furlough status but is experiencing an interruption in pay due to the shutdown), provided that all requirements of the verification of income per AUS findings are met and there are no indications that Borrower will not return to work after the shutdown ends.

10-Day Pre-Closing Verification (10-day PCV)

We must continue to attempt to obtain the 10-day pre-closing verification (PCV) in accordance with program requirements. If we are unable to obtain the 10-day PCV solely due to the shutdown, we must have a file that contains a written statement from the Seller documenting the steps the Seller took to meet the requirement and that the requirement could not be met as a direct result of the shutdown.

Fannie Mae/Freddie Mac:

We may continue to use LPA (AIM) and DU validation service to obtain employment representation and warranty relief if the Mortgage closes by the "close-by-date" reflected on the Last Feedback Certificate. If the Mortgage does not close by the "close-by-date", the above requirements related to the 10-day PCV apply.

Please contact the MFM Underwriting Dept. (underwriting@memberfirstmortgage.com) if you have any concerns pertaining to guidelines and/or eligibility.

Thank you!