



Seller Guide Update



Fannie Mae Loan Product Advisor (LPA) Variance

May 28, 2021

☑ Housing Finance Agencies

Summary

Fannie Mae recently announced that they will be terminating the LPA variance currently in place which allows loans processed through Freddie Mac's automated underwriting system, LPA, to be sold to Fannie Mae **effective August 1, 2021**.

This change will essentially mean that all HFA loans sold to Fannie Mae must be Desktop Underwriter (DU) Underwritten or Manually Underwritten.

For many of you this change may not affect your program as you are already only selling DU run loans to Fannie Mae and LPA loans to Freddie Mac. This change effectively eliminates any cross-sell opportunities.

U.S. Bank Requirements

Key U.S. Bank effective dates include the following:

- **Purchase Deadline for Lenders:** The U.S. Bank purchase deadline for loans processed with this variance is June 15, 2021.
- **Pooling Deadline:** It is the responsibility of the HFA to ensure that these loans (that must be purchased by U.S. Bank no later than June 15, 2021) are pooled by the HFA in the month of July.
- **HFA Guidelines:** HFAs are reminded to confirm and update any specific lender guidelines related to this LPA variance as outlined above. Additionally, please communicate this change to your specific financial/hedge providers and program administrators for awareness.

HFA Lending Guide Updates

We will update our HFA Lending Guide as follows:

- **HFA Specific Requirement Document Checklists** (Section 500 > State > Program > HFA Specific Required Documentation Checklists)

Questions



Should you have any questions, please reach out to your **Client Sales Executive**.

