
TO: Distribution

DATE: February 17, 2021

RE: CMG Financial Correspondent Lending
Updates 2021-07

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Fannie Mae Updates- Multiple Topics
- GSE COVID-19 Flexibility Extension

FANNIE MAE UPDATES- MULTIPLE TOPICS

Summary: Fannie Mae simplified the requirements for verifying income and employment as follows:

Secondary employment: Clarified that while a borrower may have different employers, they may not have any gap in employment greater than one month in the most recent 12-month period, unless the secondary employment is considered seasonal income.

Seasonal income: Removed the requirements to confirm with the employer if the borrower is likely to be rehired the next season and to confirm if the work is in the same job (or same line of work) as the previous two years.

Effective Date: *Lenders may take advantage of these changes immediately. DU messaging will be updated in a future release.*

Link: Announcement [SEL-2021-01](#)

GSE COVID-19 FLEXIBILITY EXTENSION

Summary: The GSEs are further extending the effective date for Mortgages with Application Received Dates through March 31, 2021 for the following:

- Employed income – 10-day pre-closing verification flexibilities previously announced
- Appraisal flexibilities previously announced
- Power of attorney (POA) flexibilities previously announced

Link:

- Freddie [2021-07](#)

- Freddie Mac Single-Family web page on [COVID-19](#)
- Freddie Mac [Selling FAQ](#) related to COVID-19
- Fannie Mae [Lender Letter LL-2021-03 Impact COVID-19 Originations](#)
- Fannie Mae [Lender Letter LL-2021-04 Impact COVID-19 Appraisals](#)

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