

**Bulletin # 176A**  
**April 8, 2020**

To: CHFA Lenders  
From: CHFA Single Family Underwriting  
Subject: SFAM Temporary Guidelines for Appraisal and Employment Verifications - **Revision**

Fannie Mae (FNMA), Freddie Mac (FHLMC) and the Federal Housing Administration (FHA) are continuing to provide guidance on temporary policy changes being implemented amid the course of the COVID-19 pandemic national emergency.

On March 27, 2020, FHA published Mortgagee Letter 2020-05; on March 31, 2020, FNMA published an update to Lender Letter 2020-03, (LL-2020-03) and FHLMC published Bulletin 2020-8.

**This announcement will amend CHFA Bulletin # 174 to include the following:**

***CHFA does not have overlays on our programs relative to the temporary COVID-19 guidelines presented by FHA, FNMA or FHLMC.***

**FEDERAL HOUSING ADMINISTRATION (FHA)**

**Re-verification of Employment – (Effective immediately for cases closed on or before May 17, 2020)**

- Re-verification of employment within 10 days of the Note date. ***If verbal is not available;***
- Lenders must provide:
  - Documentation evidencing the Borrower has a minimum of 2 months PITI in reserves;
  - Current Employment Documentation and
  - A year-to-date paystub or direct electronic verification of income for the pay period that immediately precedes the Note date, or
  - A bank statement showing direct deposit from the Borrower's employment for the pay period that immediately precedes the Note date.

**Appraisals – (Effective immediately for inspections completed on or before May 17, 2020)**

In instances where the lender cannot obtain a full appraisal, alternative acceptable documentation includes:

- A Desktop - Only Appraisal or
- An Exterior - Only
- Either Appraisal Report submitted must include a signed certification with a clear scope of work from the Appraiser.

*(Note: Appraisals must be completed on an FHA existing Acceptable Appraisal Reporting Form; Fannie Mae Forms 2055 and 1075 are not FHA approved forms and are not acceptable).*

To ensure complete compliance with the temporary FHA guidelines see FHA Mortgage Letter 2020-05.

<https://www.hud.gov/sites/dfiles/OCHCO/documents/20-05hsgml.pdf>

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**FANNIE MAE (FNMA) AND FREDDIE MAC (FHLMC) AMENDED COVID-19 GUIDELINES**

*(The following guidelines will amend flexibilities announced in FNMA Lender Letter 2020-03 and FHLMC Bulletin 2020-05 both published on March 23, 2020)*

**Credit Underwriting – (Effective from April 14, 2020 – May 17, 2020); Summary only - refer to FNMA LL-2020-03 update & FHLMC Bulletin 2020-08 for complete details**

- Age of Documentation
  - Income and Asset documentation reduced from four months (120 days) to two months (60 days).
  - Asset accounts reported on a quarterly basis must include the most recently published statement.
  - Employment and Income verification from a third party vendor must be no more than 60 days old as of the Note date.
  
- Verification of Self-Employment
  - Lenders must confirm Borrower’s business is open and operating within 10 Business Days prior to the Note Date; Documentation may include:
    - Evidence of current work (*examples: executed contracts, signed invoices*)
    - Current business receipts within 10 Business Days of the Note Date.
    - Lender certification the business is open and operating.
    - Business website demonstrating activity supporting current business operations.

**To ensure complete compliance with the temporary FNMA & FHLMC guidelines see:**

<https://singlefamily.fanniemae.com/media/22316/display>

<https://guide.freddiemac.com/app/guide/bulletin/2020-5>