



WHOLESALE BULLETIN

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22W-016

Attention: Valued Broker Partners

February 10, 2022

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: **REVISED** - Fannie Mae Lender Letter (LL2021-03)

Effective immediately (**February 2, 2022**), Fannie Mae is retiring the COVID-19 temporary requirements for borrowers with qualifying income derived from Self Employment provided the most recent federal income tax returns are not older than 2020. Standard Underwriting policies with respect to Self Employment income may be followed.

If the most recent federal income tax returns are dated before 2020, prior requirements must continue to apply, which are now described (unchanged) in the [attachment](#) to this bulletin.

Note: The temporary requirements for Verification of Self Employment continue to apply to all loans using Self Employment income to qualify.

Verification of Self Employment

Effective: These policies became effective for loans with application dates on or after **April 14, 2020** and are effective until further notice.

When a borrower is using self-employment income to qualify, the lender must verify the existence of the borrower's business within 120 calendar days prior to the note date. Due to latency in system updates or recertifications using annual licenses, certifications, or government systems of record, lenders must take additional steps to confirm that the borrower's business is open and operating. The lender must confirm this within 20 business days of the note date (or after closing but prior to delivery).

Below are examples of methods the lender may use to confirm the borrower's business is currently operating:

- evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment);
- evidence of current business receipts within 20 days of the note date (payment for services performed);
- lender certification the business is open and operating (lender confirmed through a phone call or other means); or
- business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled).

If you have any questions, contact your local Account Executive, Production Coordinator, Regional Vice President, or Brian Daily, SVP Wholesale: Brian.Daily@mwfinc.com, 909-255-8332.

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