



Guide Update 22-11: Supplemental New Loan Test

Effective: 07/26/22
Retired: 11/15/22

Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans Committed on or after July 26, 2022, the Supplemental New Loan Test parameters were updated.

Primary Changes

To increase delegation, Part III, Chapter 14: Supplemental Mortgage Loans, Section 1402.03D: New Loan Test was updated.

- Eliminated the New Loan Test for Tier 3 and 4 Supplemental Mortgage Loans.
- Using Form 4660 for a fixed rate, first Lien, cash-out Mortgage Loan, the New Loan Test must:
 - be based on:
 - the current applicable minimum DSCR and maximum LTV;
 - Tier 2; and
 - 10-year maturity; and
 - for the interest rate, use the higher of:
 - the highest Total Credit Fees Range in the current "Indicative Pricing table in DUS Gateway; or
 - Underwriting Interest Rate Floor, if applicable.

Questions

Please contact the Fannie Mae Deal Team with any questions.