Fannie Mae®

Guide Update 26-20: Potential Red Flags for Mortgage Fraud and Other Suspicious Activity

Effective: 08/03/26
Retired: 08/14/26

Summary of Changes

Primary Audience: Underwriting, Insurance, and Asset Management

HIGHLIGHTS
Effective for all Mortgage Loans as of August 3, 2026, updated the: • Potential Red Flags for Mortgage Fraud and Other Suspicious Activity • Multifamily BSA-AML Lender Guidance; and • requirements for reviewing insurance-related red flags in: - Part II, Chapter 5: Property and Liability Insurance; and - Part V, Chapter 4: Asset Management: Loan Document Administration.

Primary Changes

- Updated:
  - Potential Red Flags for Mortgage Fraud and Other Suspicious Activity, and
  - Multifamily BSA-AML Lender Guidance, related to:
    - Financing terms that deviate from the Fannie Mae Multifamily issued quote(s) without a documented and supportable rationale;
    - Insurance coverage for the subject collateral does not satisfy the Guides minimum requirements, without an approved variance, nor align with applicable third party reports, including insurable value benchmarks; and
    - Borrower failure to notify the Servicer of an insurance loss and/or subsequent non-remittance of insurance proceeds.
- Added requirements for you to review insurance for Potential Red Flags for Mortgage Fraud and Other Suspicious Activity and report any unresolved red flags per Part I, Chapter 3:

Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.

Questions

Please contact Lindsey Bass at Lindsey_Bass@fanniemae.com with any questions.