



Announcement 05-05

July 25, 2005

Amends these Guides: Selling and Servicing

Authorization for Verification of Credit and Business References (Form 1001); Uniform Residential Loan Application (Form 1003); Uniform Underwriting and Transmittal Summary (Form 1008)

This Announcement discusses revisions to certain forms used for account management and in the mortgage application, underwriting and delivery process.

Revised Authorization for Verification of Credit and Business References (Form 1001)

Effective with this Announcement, the *Authorization for Verification of Credit and Business References* (Form 1001) is modified to add the following additional data fields to the form: Date of Birth, State of Residence and the Ownership Percentage of Officers, Principals, and Owners of the lender.

All approved lenders must submit a revised *Authorization for Verification of Credit and Business References* (Form 1001) by no later than December 31, 2005 to:

Fannie Mae
One South Wacker Drive
Suite 1400
Chicago, IL 60606
ATTN: Operations

Servicing Guide Part I: Section 102, Application Procedures; Section 102.02, Application Kit; Section 204, Changes in Servicer's Organization

An approved lender must submit Form 1001 when it submits its *Lender Record Information (Form 582)*, if it has any new principal officers, partners, or owners, who directly or indirectly have a five percent or more interest in the company. As a reminder, the lender must send us written notice of any contemplated major changes in its organization and include with its notice copies of any filings with, or approvals from, its state or other regulatory authority. We also require the lender to provide us with immediate notice if its regulatory authority assumes a participatory role in the management of the firm's operations. In addition, the lender must advise us of any changes in its business address.

We require official notice of these major changes:

- the change of any senior management personnel;
- any mergers, consolidations, or reorganizations;
- any substantial change in ownership, regardless of whether it is by direct or indirect means (Indirect means include any change in the ownership of the lender's parent, any owner of the parent, or any other beneficial owner of the lender that does not own a direct interest in the lender);
- any change in corporate name;
- a change in a savings and loan association's charter from federal to state or vice versa; and
- a significant change in the lender's financial position.

A copy of the revised instructions and the revised Form 1001 are included with this Announcement as Attachment 1. A revised interactive version of Form 1001 is also available on our Web site (www.efanniemac.com) in a Portable Document Format (PDF) file.

Revised *Uniform Residential Loan Application (Form 1003)*

In 2003, Fannie Mae and Freddie Mac revised the *Uniform Residential Loan Application* (Fannie Mae Form 1003/Freddie Mac Form 65) to make some technical changes and to conform to the new race and ethnicity categories required by the Federal Reserve Board for reporting under the Home Mortgage Disclosure Act, based on new categories used by the Census Bureau.

We are now announcing additional technical and substantive changes that accommodate advances in underwriting and make the form more user-friendly.

The new form incorporates several changes. The instructions on the form have been amended to recognize that applicable law in some states, such as the California statute that

became effective on January 1, 2005, provides for community property ownership by non-spouses. Consequently, the instructions now address a situation involving a non-applicant who shares community property with an applicant under state law. Whether or not such non-applicant is the applicant's spouse, information concerning the non-applicant should be recorded in the section for Co-Borrower information. A similar addition of a reference to a non-applicant with community property rights has been made to the instructions in Section VI, Assets and Liabilities.

In 2004, the Federal Reserve Board clarified its ruling requiring credit applicants to indicate whether the application is for joint or individual credit. Since then, Fannie Mae has received requests from lenders to include that information on the *Uniform Residential Loan Application*. The revised form includes signature lines for the applicant to indicate whether the application is for joint or individual credit.

We are also revising the attestation to make it clearer to borrowers that they are allowing access to certain information in connection with the application and the resulting loan. We have clarified the authorization with respect to the lender's responsibility to include information on the borrower's sex, race, and ethnicity on the basis of appearance and surname if the borrower declines to furnish this information.

We have made conforming changes to Form 1003s, the Spanish language version of the *Uniform Residential Loan Application* and also have taken this opportunity to make substitutions of some Spanish words to provide a translation of the English form that more accurately reflects current usage. Because Form 1003A (*Statement of Assets and Liabilities*) and its Spanish equivalent, Form 1003As, reference non-applicant spouses, these forms have also been amended to recognize the assets of all non-applicants who share community property with the applicant.

At this time Fannie Mae is also revising its instructions for use of Form 1003. These instructions provide guidance to lenders using this form in connection with loans to be sold to Fannie Mae. We are taking this opportunity to clarify the instructions with respect to non-citizen borrowers, first time homebuyers, and the collection of race and ethnicity information.

These new forms may be used by lenders immediately, but are required for loans with an application date on or after January 1, 2006. The current version of the *Uniform Residential Loan Application* (Form 1003) will remain available on our Web site through December 31, 2005.

A copy of the revised instructions and the revised Form 1003, 1003A, 1003s and 1003As are included with this Announcement as Attachment 2. These forms are also available on our Web site (www.efanniemae.com) in Portable Document Format (PDF) file. A revised interactive PDF file that can be downloaded for electronic preparation will soon be available on our Web site.

Revised *Uniform Underwriting and Transmittal Summary* (Form 1008)

With Announcement 05-03, Fannie Mae introduced new project type codes to be used to identify loans secured by condominium units. We are now updating the *Uniform Underwriting and Transmittal Summary* (Fannie Mae Form 1008 / Freddie Mac Form 1077), Section I. Borrower and Property Information, "Project Classification" to reflect these new Fannie Mae project type codes.

Previously, project types were identified with project type codes of A, B, and C. The new codes are:

New Project Type Code	Project Acceptance Review Type
P	Limited Review – New Project
Q	Limited Review – Established or Two-Unit to Four Unit Project
R	Expedited Review – New Project
S	Expedited Review – Established or Two-Unit to Four-Unit Project
T	Fannie Mae Review
U	FHA-approved Project

The project type codes applicable to PUDs and cooperative share loans are unchanged.

Lenders are reminded that they should retain the Form 1008 in the loan file for each manually underwritten loan. Although lenders may choose to do so, they are not required to retain the Form 1008 in the file for a Desktop Underwriter (DU)- processed loan because the Underwriting Analysis Report, which is produced by DU, contains similar information and must be included in the loan file.

These new forms may be used by lenders immediately, but are required for loans with a delivery date on or after November 1, 2005. The current version of the *Uniform Underwriting and Transmittal Summary* (Form 1008) will remain available on our Web site through October 31, 2005.

A copy of the revised instructions and the revised Form 1008 are included with this Announcement as Attachment 3. Form 1008 is also available on our Web site (www.efanniemae.com) in a Portable Document Format (PDF) file.

Lenders should contact their Customer Account Team if they have questions about this Announcement, or the Attachments.

Pamela S. Johnson
Senior Vice President

Attachments(s)