

Announcement # 24-106**Date:** September 30, 2024

Fannie Mae SEL-2024-05 - Rent-back Credit

Available immediately but effective with mortgage applications dated on and after October 7, 2024, Fannie Mae added guidance clarifying requirements specific to rent-back credits paid by the property seller to the borrower in exchange for allowing the seller to stay in the home for a specified period of time after closing.

- Rent-back credits are permissible as part of the sale and may appear on the closing disclosure as a credit to the borrower, however cannot be used as an eligible source of funds for closing costs, down payment, or reserves.
- Lenders must not consider the rent-back credit during the underwrite of the loan and the customer must have sufficient funds from eligible sources.
- For loans secured by the borrower's principal residence, the borrower must continue to meet any occupancy requirements as outlined in the security instrument.

Refer to Fannie Mae Selling Guide Announcement SEL-2024-5 and Fannie Mae Selling Guide section B3-4.3-12 for additional information and complete requirements.

Pennymac is aligning with these changes.

Please contact your Sales Representative with any questions.