

Announcement # 24-46**Date: May 10, 2024**

Fannie Mae SEL-2023-11 Attorney Title Opinion Letters Update

Effective with new loan applications on or after May 10, 2024, Pennymac is aligning with Fannie Mae SEL-2023-11 regarding expanded eligibility for attorney title opinion letters. Fannie Mae has updated its policy to allow the use of attorney title opinion letters in lieu of traditional lender's title insurance policies for eligible transactions.

Eligible Transactions

Attorney title opinion letters are now permitted for the following:

- Loans secured by a unit in a condo project
- Loans secured by a property subject to restrictive agreements or restrictive covenants

The following transaction types remain ineligible for attorney title opinion letters:

- Co-op share loans
- Loans secured by a dwelling on a leasehold estate (including community land trust properties)
- Loans secured by a manufactured home
- HomeStyle Energy and HomeStyle Renovation loans
- Texas Section 50(a)(6) loans
- Loans executed using a power of attorney

Requirements and Guidance

Lenders choosing to use an attorney title opinion letter must adhere to all requirements outlined in Fannie Mae Selling Guide Section B7-2-06.

Please contact your Sales Representative with any questions.