

**Announcement # 24-65****Date:** June 28, 2024

## Fannie Mae Trust Income and Section 8 Clarifications

In the Fannie Mae Selling Guide announcement 2024-03, Fannie Mae provided clarifications to their guidelines for trust income and section 8 payments.

### Trust Income

- Documentation must clearly identify the date the trust was created
- A letter from an accountant or attorney who has reviewed the trust's documentation may be acceptable when:
  - Trustee's statement or other documents are not available
  - Borrower is the trustee
- Trusts created within 12 months of the application and funded by the borrower's employment-related assets are eligible but must meet the income calculation and all other requirements in the Employment-Related Assets as Qualifying Income section of the Fannie Mae Selling Guide
- Variable trust income received for less than 24 months, but not less than 12 months, may be considered as stable when other positive factors are present that reasonably offset the shorter income history
- For variable trust income, the trust's federal income tax returns may be relied upon as an alternative to the borrower's personal tax returns

### Section 8 aka Housing Choice Voucher Homeownership Program Payments

- Section 8 payments are nontaxable
- Lenders should develop an adjusted gross income for the borrower using the monthly payment from the public agency
- Documentation of the nontaxable nature of Section 8 income is not required

Pennymac is aligning with these clarifications.

Refer to the [Fannie Mae Selling Guide announcement 2024-03](#) and Fannie Mae Selling Guide for complete requirements.

Please contact your Sales Representative with any questions.