

Announcement # 25-34**Date:** March 24, 2025

Fannie Mae Hybrid Appraisal Expansion

As announced in Fannie Mae Selling Guide Announcement 2025-01, Fannie Mae is expanding eligibility for hybrid appraisals. This change is effective the weekend of 03/22/25 to align with the DU version 12.0 update.

Hybrid appraisal reports are now eligible for certain DU Approve/Eligible loan casefiles specifying eligibility.

- DU version 12.0 has been updated to issue messaging advising if a loan casefile is eligible for a hybrid appraisal.
- Hybrid appraisals must be completed on
 - The Uniform Residential Appraisal Report Form 1004 Hybrid; or
 - The Individual Condominium Unit Appraisal Report Form 1073 Hybrid
- Purchase, limited cash-out, and cash-out refinance transactions are eligible
- All occupancy types are eligible
- Eligible transactions include but are not limited to:
 - 1-unit properties including condominiums and PUDs
 - Texas 50(a)(6)
 - Properties under construction
- Ineligible transactions include but are not limited to:
 - Manufactured homes
 - 2-4 unit properties
 - Construction to perm (including 2x close transactions)
 - HomeStyle Renovation and HomeStyle Energy loans
 - Manually underwritten loans
- DU will continue to issue messages for other appraisal options. Any of the options presented may be selected

As a reminder, correspondent clients must successfully submit the property data collection to the Fannie Mae API and submit the hybrid appraisal to the UCDP prior to delivery to Pennymac.

Note: A hybrid appraisal may continue to be obtained if a loan loses Value Acceptance + PDC eligibility.

Please refer to the Fannie Mae Selling Guide for a complete list of eligible and ineligible transaction types as well as full hybrid appraisal requirements.

Please contact your Sales Representative with any questions.