

Announcement # 26-29**Date:** March 23, 2026

Fannie Mae Updates to Accessory Dwelling Unit (ADU) Rental Income

Effective with the Desktop Underwriter (DU) version 12.1 release over the weekend of March 21, 2026, Fannie Mae is updating its rental income policy to allow income from an Accessory Dwelling Unit (ADU) to be considered towards qualifying income. Pennymac is aligning with these changes.

Rental income from an ADU may be considered for qualifying purposes provided all of the following requirements are met:

- Subject property must be a one-unit principal residence.
- Purchase or limited cash-out refinance transactions only.
- The rental income may only be derived from one ADU, even if multiple ADUs exist on the property.
- The amount of rental income used for qualifying purposes from the ADU cannot exceed 30% of the borrower's total qualifying income.

DU will be updated to apply the updated requirements, including calculating whether the rental income used for qualifying purposes exceeds the 30% limit. All other standard Selling Guide requirements for the documentation of rental income continue to apply.

Refer to the Fannie Mae Selling Guide for complete requirements.

Please contact your Sales Representative with any questions.