



IMPORTANT REMINDER

BULLETIN 38 10012025

Issued to: All Channels

Date: October 1, 2025

Subject: Government Shutdown

Effective: Immediately

Government Shutdown Update

The federal government has officially announced a shutdown effective October 1, 2025.

This announcement outlines the most recent guidance provided by the agencies, investors, and the government entities.

Freddie Mac & Fannie Mae

Employment / Income directly affected by the Shutdown:

- All income documentation requirements continue to apply during the shutdown except for the age of paystub.
- Year-to-date (YTD) paystubs may be dated *more* than 30 days before the application received date. However, the YTD paystub must be from the pay period that immediately precedes the **shutdown-related** payroll interruption.
- 10-day pre-closing employment verification (PCV) / Verbal Verification of employment (VOE):
 - If the verification is unable to be obtained, the mortgage file must contain a written statement from First Colony Mortgage (FCM) with the following:
 - the steps taken to meet the requirement and,
 - that the requirement could not be met due to the shutdown,
 - A military Leave and Earnings Statement dated no more than 120 days prior to the Note Date is permitted to meet the PCV/VOE requirement.
 - A mortgage loan where the borrower has been furloughed is still eligible provided all required income documentation is **obtained** and **acceptable** post-shutdown.
 - Asset and Income (AIM)/DU Validation service: Validation of employment will remain eligible for representation and warranty relief provided the mortgage complies with the "close by" date in the LPA or DU message.

IRS transcripts:

- IRS transcripts are not required prior to closing. However, if the most recent year's tax return is not obtained, proof of e-filing or an IRS response confirming that no tax transcript is available.
- Loans closed prior to the shutdown must include the transcripts in the mortgage loan file when required.
- AIM/DU Validation Service: Requests for a verification report may not be available for mortgages qualifying using tax transcript data (e.g. Self-employed / Rental income).

Social Security number validation:

- Social Security Administration (SSA) requests to validate borrower(s) Social Security number may not be available. When the social security number is required to be validated by SSA, it must be **obtained** post-shutdown.

Flood Insurance:

- NFIP will not issue new policies during the shutdown. If a Borrower applies for NFIP flood insurance, acceptable evidence pending issuance of a final NFIP policy may include one of the following:
 - A completed and executed NFIP Flood Insurance Application plus one of the following:
 - a copy of the Borrower's premium check or agent's paid receipt,
 - Closing Disclosure Statement reflecting the flood insurance premium collected at closing, or
 - A completed and executed NFIP General Change Endorsement Form showing the assignment of the current flood insurance policy by the property seller to the Borrower.
 - The final evidence of coverage must be **obtained** post-shutdown.

FHA:

Services will continue to be operational but with limited staff and with longer waiting times.

• Loan Assistance:

- The following services will be available for general inquiries:
 - The FHA Resource Center's online FAQ Site.
 - Email to answers@hud.gov
 - (800) Call-FHA is prepared to take calls for individuals who are deaf, hard of hearing, speech, or communication impairments

• Origination through Endorsement Activities:

- The following activities and functionality will be available:
 - Manual pre-endorsement actions: resolution of Holds Tracking queue, Single-Unit Approval of Condominiums, case number transfers, cancellations, and reinstatements;
 - Submission of Upfront Mortgage Insurance Premiums (UFMIP)
 - Insurance Endorsements;
 - FHA Appraiser Roster look-up;
 - FHA-approved Condo look-up;
 - FHA Connection: Case numbers and CAIVRS;
 - TOTAL Scorecard.

- The following activities will not be available:
 - Condominium Project approvals under the HUD Review and Approval Process, and
 - Mortgage Insurance Certificate (MIC) corrections.

VA:

- Housing benefits will continue to be processed and delivered.
 - VA will continue to operate its loan guaranty programs;
 - VA staff to answer questions will be limited since approximately 70% of Veterans Benefits Administration staff (which includes loan guaranty staff) are expected to be furloughed in the shutdown.

USDA:

- USDA will **not** issue guarantee loan conditional commitments during the shutdown.
- Current conditional commitments must be unexpired and accurate.
- USDA has also emphasized that they will not guarantee loans that were closed during the shutdown **without** conditional commitments.

We will continue to monitor the situation closely and provide updated requirements as agencies, government entities, and investors release updates.

Thank you for your patience and cooperation as we work through this event together.

Please contact your Account Executive should you have any questions.

We appreciate your business!