



IMPORTANT REMINDER BULLETIN 10 06112026

Issued to: All Channels
Date: June 11th, 2026
Subject: Fannie Mae – Chapter B3-3: Income Assessment

Fannie Mae has restructured this section into a clearer, more modular format to the Selling Guide. This update introduces clarifications and policy changes covering, but not limited to, employment gaps, future pay raises, family/interested party employment, income type definitions, and documentation requirements for multiple income categories. The table below identifies each update and whether it is a new policy or a change to existing policy.

New Policies and Changes: This summary provides a high-level overview of the updates and does not include all policy requirements. Refer to the applicable policy sections for complete details, eligibility criteria, and guidance. The listed Freddie guide section is the primary reference for each topic, but related information may also appear elsewhere in the Guide.

Topic	Previous Guidance	NEW Guidance	New / Change	Policy Link	Alignment with Freddie
Continuance of Income	Previous policies provided inconsistency for income sources requiring 3-year continuance based on the Note Date.	Aligned policy for all income sources requiring 3-year continuation to be based on the Note Date.	Change	B3-3.1-01, General Income Information	Fannie more prescriptive by using Note Date. Guide Section 5301.1
Multiple Jobs	Previous policy did not provide sufficient guidance for the assessment of borrowers with multiple sources of employment.	Provides detailed guidance for borrowers working multiple jobs simultaneously.	Change	B3-3.2-02, Standards for Employment-Related Income	Fannie more prescriptive. Guide Section 5303.1
Employment Gaps	Prior policy did not clearly define acceptable times for employment gaps.	Borrowers with gaps in employment in the most recent 12 months require the underwriter to analyze current employment to confirm it is likely to continue.	New	B3-3.2-02, Standards for Employment-Related Income	Fannie more prescriptive by adding 12-mths. Guide Section 5303.1

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Pay Raises	Future income from a pay raise at current employer were not eligible as qualifying income prior to the raise taking effect.	<p>Future pay raises from current employer may be used as qualifying income when ALL conditions are met:</p> <ul style="list-style-type: none"> • Fixed base income only. • Purchase or limited cash-out refinance transaction. • Increase takes effect no later than 60 days after note date. • Fully verified via Form 1005 or direct employer documentation. • Borrower is NOT employed by a family member or interested party. <p><i>Note: Borrowers qualifying income from a future employer must meet requirements under B3-3.3-03, Employment Offers or Contracts.</i></p>	New	B3-3.2-02. Standards for Employment-Related Income	Refer to Freddie Bulletin 2026-6 and 5303.2 of Selling Guide. Freddie allows 90 days from Note date.
Employment by Family / Interested Party	Prior policy did not consolidate requirements for income earned from employment by a family member or interested party.	<p>Employment by Family Member or Interested Party must meet applicable income type requirements PLUS:</p> <ul style="list-style-type: none"> • Employed by the business for at least 12 months prior to application date. • Most recent years signed federal tax returns showing less than 25% ownership in the business. • Qualifying income consistent with most recent year's earnings, documented with W-2 or tax returns. <p><i>Note: If DU Validation Service validates income, FCM is not required to determine if borrower is employed by a family member or interested party.</i></p>	New	B3-3.2-02. Standards for Employment-Related Income	Generally aligned – Freddie does not require W-2. Guide Section 5303.1
Fixed vs. Variable Income Definitions	No formal definitions for fixed base income vs. variable base income in the Selling Guide.	<p>New definitions established:</p> <ul style="list-style-type: none"> • Fixed Base Income: Set salary or fixed hourly rate with guaranteed minimum hours. Minor per-period variances do not alone disqualify income from being considered fixed base. • Variable Base Income: Fixed hourly rate with fluctuating hours, or an hourly rate that varies. 	New	B3-3.2-02. Standards for Employment-Related Income	Generally aligned. Guide Section 5303.1
Fixed Base Income	W-2s for the past two years plus a paystub.	<p>Fixed Base Income — Required Documentation:</p> <ul style="list-style-type: none"> • Most recent paystub AND most recent W-2, OR • Third-party VOE/VOI (e.g., Argyle VOI or The Work Number VOI) 	Change	B3-3.2-02. Standards for Employment-Related Income	Generally aligned. Guide Section 5303.1

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		<p>obtained and includes YTD and prior-year income.</p> <p><i>FCM Overlay: A manual written VOE/VOI alone (without paystub and W-2) is NOT permitted.</i></p>			
Variable Base Income	W-2s for the past two years plus a paystub.	<p>Variable Base Income — Required Documentation:</p> <ul style="list-style-type: none"> • Most recent paystub AND most recent W-2, OR • Third-party VOE/VOI (e.g., Argyle VOI or The Work Number VOI) obtained and includes YTD and prior-year income. • Minimum 12-month history of receiving variable income is required. <p><i>FCM Overlay: A manual written VOE/VOI alone (without paystub and W-2) is NOT permitted.</i></p>	Change	B3-3.2-02, Standards for Employment-Related Income	Generally aligned. Guide Section 5303.1
Bonus, Commission, Overtime & Tip Income	Policy requirements were not explicit.	<p>Bonus, Commission, Overtime, and Tip Income — Required Documentation:</p> <ul style="list-style-type: none"> • Most recent paystub AND most recent two years' W-2, OR • Third-party VOE/VOI (e.g., Argyle VOI or The Work Number VOI) obtained and includes YTD and prior-year income. • Minimum 12-month history of receiving variable income is required. <p><i>Note: For tip income not reported by the employer, two years' personal tax returns may be provided in lieu of W-2s.</i></p>	Change	B3-3.2-02, Standards for Employment-Related Income	Guide Section 5303.1
Employment Offers or Contracts	Option two's requirements did not include Verbal Verification of Employment.	Refer to the Fannie Mae Selling Guide matrix for all options and requirements.	Change	B3-3.3-03, Employment Offers or Contracts	Generally aligned. Guide Section 5303.2
Housing & Auto Allowances	Documentation requirements were not explicit. Auto Allowance history required 24 months.	<p>Housing (Parsonage) and Automobile Allowances — Required Documentation:</p> <ul style="list-style-type: none"> • Most recent paystub AND most recent W-2, OR • Third-party VOE/VOI (e.g., Argyle VOI or The Work Number VOI) obtained and includes YTD and prior-year income. • Minimum 12-month history required. <p><i>FCM Overlay: A written VOE/VOI alone (without paystub and W-2) is NOT permitted.</i></p>	New	B3-3.2-02, Standards for Employment-Related Income	Auto Allowance: Freddie requires 2 years. Guide Section 5303.1 . Housing: Generally aligned. Guide Section 5305.1

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Military Income	Previous guidance included a reference that Reservists' income could not have an employment gap greater than 12 months.	Removed the restriction prohibiting employment gaps greater than 12 months for Reservists income. Fannie does not require a W-2.	Change	B3-3.2-02. Standards for Employment-Related Income	Freddie requires a W-2. Guide Section 5303.1
Seasonal Income	Qualifying income requirements were not explicit.	<ul style="list-style-type: none"> Most recent paystub AND two years' W-2s, OR Paystub/W-2s NOT required when third-party written VOE includes YTD and prior two years' income. Minimum two-year history required. 	New	B3-3.2-02. Standards for Employment-Related Income	Fannie more prescriptive. Guide Section 5303.1
Temporary Leave Income	Income continuance policy did not include an explicit income continuance requirement.	Refer to the Fannie Mae Selling Guide for full details and requirements.	New	B3-3.3-09. Temporary Leave Income	Generally aligned. Guide Section 5303.3
Alimony, Child Support & Equalization Payments	Equalization Payments and documentation requirements for current receipt were addressed separately.	New policy on Equalization Payments added. Documentation Requirements for Current Receipt of Income incorporated into this section.	New	B3-3.2-02. Standards for Employment-Related Income	Freddie does not cover Equalization Payments. Guide Section 5305.1
Annuity, Pension & Retirement Income	Documentation requirements for retirement income beginning after closing were not fully addressed. Personal and Insurance Annuities were not explicit.	<ul style="list-style-type: none"> Personal and insurance annuities are now explicitly included. Clarifies qualifying income determination and continuance requirements. Expands documentation requirements for retirement income that begins after closing. 	Change	B3-3.2-02. Standards for Employment-Related Income	Generally aligned. Guide Section 5305.1
Boarder Income	Boarder income policy did not include an explicit income continuance requirement.	Policy updated to include an income continuance requirement for boarder income.	Change	B3-3.2-02. Standards for Employment-Related Income	Freddie does not allow rental income from a primary residence except for Home Possible.
Social Security Income	Previously required documentation to support that 15% of Social Security income is nontaxable.	Documentation to support that 15% of Social Security income is nontaxable is NO LONGER required.	Change	B3-3.2-02. Standards for Employment-Related Income	Generally aligned. Guide Section 5305.1
Unemployment Benefits	Previous policy did not clearly address income continuance requirements or how to determine qualifying income for unemployment benefits.	Policy updated to include continuance requirements and clarification on qualifying income determination for unemployment benefits.	Change	B3-3.2-02. Standards for Employment-Related Income	Generally aligned. Guide Section 5303.1
Texas 50(a)(6) Appraisal Requirement	Current policy does not cover the use of a desk or field review to address appraisal deficiencies.	Permits a desk or field review to address appraisal deficiencies. When required, the review must be attached to the appraisal and written acknowledgment of fair market value.	Change	Texas Section 50(a)(6) Loan Underwriting, Collateral, and Closing Considerations	Freddie does not address.

Please contact your Account Executive should you have any questions.

We appreciate your business!