



## Bulletin 16-48

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### Property Inspection Waivers on Fannie Mae Transactions

Fannie Mae [Announcement 2016-08](#) issued October 24, 2016 detailed changes to property inspection waivers (PIWs) that are effective with the DU update Fannie Mae is implementing the weekend of December 10, 2016. Casefile IDs submitted or resubmitted after the weekend of December 10<sup>th</sup> will be subject to these updates.

When DU issues a PIW, the appraisal requirement may be waived on the transaction subject to specific requirements being met. With the DU update there are several significant changes to PIW eligibility.

NOTE: The **changes** are highlighted below; brokers should refer to the Fannie Mae Conforming and High Balance Program Guidelines posted on the HomeBridge website at [www.homebridgewholesale.com](http://www.homebridgewholesale.com) for **complete** PIW requirements.

#### Updates to PIW Eligibility

- Eligible on rate/term **and** cash-out refinance transactions (previously cash-out ineligible)
- Purchase transactions now **ineligible**
- Condominiums now eligible (previously ineligible)
- Maximum LTV is now determined by occupancy and transaction type (previously capped at the lesser of 80% or transaction type):
  - Primary residence and second home rate/term refi: Maximum 90% LTV/CLTV
  - Investment property rate/term refi: Maximum 75% LTV/CLTV
  - Primary residence cash-out refi: Maximum 70% LTV/CLTV
  - Second home and investment cash-out refi: Maximum 60% LTV/CLTV
- The \$75 fee for a PIW will no longer apply
- The following were added as **ineligible** for a PIW:
  - Properties located in a disaster impacted area,
  - Transactions where the value of the subject property provided to DU is  $\geq$ \$1,000,000
  - Properties with resale restrictions
  - HomeStyle Renovation loans
  - Any transaction where, by law, required an appraisal

If you have any questions, please contact your Account Executive.