

Bulletin 22-27

New Gift Funds Donor Eligibility on Fannie Mae Transactions

Fannie Mae Announcement 2022-08, issued September 7, 2022, expanded the list of acceptable gift donors to include non-relatives that share a familial relationship with the borrower.

Fannie Mae defined eligible non-relatives with a familial relationship (unrelated friend) as a former relative, godparent, or a relative of a domestic partner.

Fannie Mae Acceptable Gift Funds Donor Table	
Acceptable Donor	Source Field in DU
<p>Relative defined as:</p> <ul style="list-style-type: none"> Borrower’s spouse, child, or other dependent or any other individual related to borrower by blood, marriage, adoption or legal guardianship 	Relative
<p>Unmarried Partner defined as:</p> <ul style="list-style-type: none"> Domestic partner, or Individual engaged to marry the borrower 	Unmarried partner
<p>Unrelated Friend (new) defined as:</p> <ul style="list-style-type: none"> Former relative of the borrower, or Relative of the borrower’s domestic partner, or Godparent of the borrower 	Unrelated friend*

*DU has not been updated with “Unrelated friend” at this time; until DU is updated, “Other” should be used as the gift funds source field option

The gift letter must specifically state the relationship between the donor and the borrower, using the terms noted in the chart above.

Fannie Mae also clarified that evidence of electronic transfer of funds from the donor’s account to the borrower’s account or to the closing agent meets the requirement for verifying donor availability of funds and transfer of gift funds

As a reminder, gift fund donors may not be, or have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction.

All other gift fund requirements continue to apply

This enhancement is eligible for new submissions and loans currently in the pipeline.

The Fannie Mae guidelines have been updated and posted on the Homebridge website at www.HomebridgeWholesale.com

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