

FANNIE MAE

CONTRACT CHECKLIST

Fannie Mae management has recently increased the focus on 1) quality offer comments in AMN and 2) complete contract packages to ensure compliance with audit requirements. Management will not allow negotiation of an offer or execution of a contract package if they do not meet standards outlined below. Listing brokers must ensure a complete and compliant offer is submitted in AMN and a complete and compliant contract is provided to the seller. Please review the information below and share it with your staff involved with submitting offers and contract packages to your Sales Rep. Following the guidelines will prevent delays in response to offers and execution of contracts.

1. OFFERS

When an offer is first submitted into AMN...

- a) The broker must indicate whether or not the property is in First Look (per a check of HomePath.com).
- b) The broker must indicate the buyer's selection in paragraph 10/F of the Fannie Mae Addendum. You can simply say "Buyer to use seller's title" or "Buyer to use other title".
- c) If the buyer is an owner occupant, the broker must mention if the Owner Occupant Certification was included with the original contract.
- d) If the buyer has previously purchased a FNMA property, the buyer Type must be indicated as Multi-Purchase and an explanation provided if the buyer is an investor or an owner occupant provided in offer comments.

If an offer does not contain the documentation above when it is first submitted into AMN, it must be rejected.

Also,

- If the buyer is a LLC or Corporation, the name of the primary signer for the entity must be included in offer comments before the offer is accepted.
- If the buyer is an owner, it is helpful to confirm if the buyer owns any real estate per a check of local records and document your findings in offer comments. If an owner occupant buyer owns other real estate, an explanation is required.

2. CONTRACTS

When a contract package is submitted to the Sales Rep for signatures...

- a) The Contract Cover Form must be attached as the first page of the contract package.
- b) All pages of contract package must be clear and legible.
- c) The "Pursuant to" verbiage must be written into the Additional Terms section of the local purchase agreement.
- d) The buyer must have completely initialed, signed, and dated every applicable space.
- e) The seller name on the local contract and Fannie Mae addendum must be "Fannie Mae" (cannot be FNMA).
- f) All key elements on the contract (Buyer Name, Sales Price, Close Date, Concessions, Financing Type, Finance Contingency Date, Acknowledgement Date) must match to the accepted offer in AMN.
- g) None of the key elements described above can be crossed out, corrected, and initialed on either the local purchase contract or Fannie Mae addendum. (This means a fresh contract should be drawn up after an offer is accepted.)
- h) The buyer must have initialed their choice in paragraph 10/F of the Fannie Mae Addendum.
- i) The most recent version of the Fannie Mae Addendum must be used.
- j) The Owner Occupant Certification and Notice to Listing Agent documents must be included with the contract package if the buyer is an owner-occupant.
- k) The check off in paragraph 14 of the Fannie Mae addendum must be marked and the blanks of the deed restrictions verbiage filled in with 120% of the sales price for a period of 3 months if the buyer is an investor.
- l) The amount of any buyer's closings costs to be paid by the seller must be included in paragraph 38 of the Fannie Mae addendum. The verbiage below should be used. **The Seller will contribute up to \$(enter amount) toward Purchaser's closing costs, points, pre-paids.**
- m) The Fannie Mae Lead Based Paint Disclosure must be used if a disclosure for lead based paint is made part of the contract package.
- n) Evidence of the buyer's earnest money deposit must be included. This can be a copy of check(s), wire confirmation, confirmation of deposit held by realtor or title company.
- o) A prequalification letter must be included if the offer has financing.
- p) Proof of funds/cash to close if the offer is cash.

If a contract does not meet the requirements above when it is submitted to a Sales Rep for signatures, it must be rejected. The requirements are included and discussed in Section 8 of the REO Sales Guide. Please review your contract package to ensure it is compliant before sending it to your Sales Rep for signatures.