FANNIE MAE REMOVES MINIMUM CREDIT SCORE REQUIREMENTS!

Updated for Policy Change Effective November 16, 2025

BORROWER REQUIREMENTS	
Credit	• 620 minimum score requirement removed effective November 16, 2025 • No “middle FICO score” requirement for DU approvals • Fannie Mae will use a broader risk-assessment model that evaluates multiple factors, not just the score
Debt-to-Income (DTI)	Maximum DTI: • Typically up to 50%. • Some scenarios may require a lower ratio depending on risk factors, compensating strengths, or loan features.
Down Payment	Primary Residence (1-Unit): • As low as 3% down. Varies by: • Loan purpose (purchase, rate-term refinance, cash-out refi) • Occupancy (primary, second home, investment)
Income & Employment	Requires full documentation. May include: • 1–2 years of signed federal tax returns • W-2s, 1099s, pay stubs • P&L statements for self-employed borrowers • Purpose: Validate stability and likelihood of continued income.
Identification	• Borrower must provide a valid SSN or ITIN to qualify.

PROPERTY REQUIREMENTS	
Condition	• Home must be structurally sound, safe, and secure. • No major deficiencies that could affect livability or marketability.
Accessibility	• Must have year-round access via roads that meet local standards.
Utilities	Property must be served by utilities that meet community norms: • Electricity • Heating • Water • Waste disposal • Must be suitable for full-time, year-round occupancy.
Ownership / Title	Title must be held in an acceptable form, such as: • Fee simple • Leasehold estate (must meet specific criteria)
Property Type	Requirements vary by: • Primary residence • Second home • Investment property Additional review applies to: • Condos • Multi-unit properties • Manufactured housing
Accessory Dwelling Units (ADUs)	• ADUs must be legal and compliant with local zoning. Lenders must verify: • Permits • Zoning compatibility • Local definitions of legal use

CALL TODAY FOR DETAILS!

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