

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2025-23 | Fannie Mae Guideline Updates

On October 8, 2025, Fannie Mae announced that they updated their Selling Guide to align documentation requirements for loans with rental income reported on partnership or S corporation federal business tax returns using Form 8825 with those applicable to rental income reported on Schedule E of federal personal tax returns as outlined below. This announcement serves to confirm that Spring EQ is in alignment with the updates. Visit <https://correspondent.springeq.com/> for the updated guidelines. Please contact your account executive with questions.

Effective immediately:

- When the borrower receives only rental income reported on the Schedule K-1, lenders must obtain the most recent one year federal business income tax return for rental income reported on Form 8825. This aligns with documentation requirements for rental income reported on Schedule E for individual borrowers.
- Additionally, all rental income reported on partnership or S corporation returns using Form 8825 will now be classified as self-employment income, regardless of the borrower's personal obligation on the associated mortgage.

These changes and other minor clarifications throughout the topic will promote consistency in income analysis and ensure alignment with existing self-employment income documentation standards.