Fannie Mae

Guide Update 26-07: Letters of Credit

Effective: 03/11/26
Retired: 08/25/26

Summary of Changes

Primary Audience: Letter of Credit Managers

HIGHLIGHTS
Effective for all Mortgage Loans as of March 11, 2026, updated the eligibility rating criteria for a financial institution to issue or confirm a Letter of Credit.

Primary Changes

Updated the rating criteria in Part I, Chapter 2: Mortgage Loan, Section 204.02: Issuers and Ratings to clarify that to be eligible to issue or confirm a Letter of Credit, the financial institution must:

- if rated by only 1 of the following rating agencies, have either a:
  - Standard and Poors long-term issuer rating of "A" or better; or
  - Moodys long-term issuer rating of A2 or better; or
- if rated by both of the following rating agencies, have both a:
  - Standard and Poors long-term issuer rating of "A" or better; and
  - Moodys long-term issuer rating of A2 or better.

Questions

Please contact Lender Risk Management at mf_lrm_communications@fanniemae.com with any questions.