



Guide Update 26-20: Potential Red Flags for Mortgage Fraud and Other Suspicious Activity

Effective: 08/03/26

Summary of Changes

Primary Audience: Underwriting, Insurance, and Asset Management

HIGHLIGHTS

Effective for all Mortgage Loans as of August 3, 2026, updated the:

- Potential Red Flags for Mortgage Fraud and Other Suspicious Activity
- Multifamily BSA-AML Lender Guidance; and
- requirements for reviewing insurance-related red flags in:
 - Part II, Chapter 5: Property and Liability Insurance; and
 - Part V, Chapter 4: Asset Management: Loan Document Administration.

Primary Changes

- Updated:
 - Potential Red Flags for Mortgage Fraud and Other Suspicious Activity, and
 - Multifamily BSA-AML Lender Guidance, related to:
 - Financing terms that deviate from the Fannie Mae Multifamily issued quote(s) without a documented and supportable rationale;
 - Insurance coverage for the subject collateral does not satisfy the Guide's minimum requirements, without an approved variance, nor align with applicable third party reports, including insurable value benchmarks; and
 - Borrower failure to notify the Servicer of an insurance loss and/or subsequent non-remittance of insurance proceeds.
- Added requirements for you to review insurance for Potential Red Flags for Mortgage Fraud and Other Suspicious Activity and report any unresolved red flags per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.



Questions

Please contact Lindsey Bass at Lindsey_Bass@fanniemae.com with any questions.