



To: All Customers **From:** Credit Policy
Date: 02/11/21 **Memo#:** 21023
Subject: VVOE Form Update and COVID Reminder for Self-Employed Borrowers

A new version of the [Verification of Employment Form](#) is now available for immediate use. All Non-Delegated and Delegated Correspondents are required to provide the method used to verify a business is operational for all self-employment using the revised form (or similar documentation containing the same level of information) for loans with a Note date on or after February 26, 2021.

SELF-EMPLOYED BORROWER – COMPANY VERIFICATION INFORMATION

The Self-Employed Borrower section of the form has been updated to include an attestation section in order to better identify the method used to verify the business is operational.

SELF-EMPLOYED BORROWER – COMPANY VERIFICATION INFORMATION
 Must be completed within 120 calendar days prior to closing or applicable guides.

Business Name:
 Business Phone Number: Independently Verified Third Party Source:
 Description of Other Third Party Source (if necessary):
 CPA or Disinterested third party name (if applicable):
 CPA or Disinterested third phone number (if applicable):
 Borrower’s Position: Type of Business:
Method used to verify Business is Operational. (Required):

This section has been added to help identify the method used to document business is operational.

TEMPORARY COVID VERIFICATION REQUIREMENT REMINDERS

Please refer to the [Temporary COVID Guidelines](#) for the eligibility and timing requirements for verification for wage earners and self-employed borrowers based on the transaction type.

SELF-EMPLOYMENT REQUIREMENTS

As a reminder, the existence of a business alone does not represent sufficient information to support the temporary guidelines which require validation the business is open and operational.

ACCEPTABLE DOCUMENTATION TO VERIFY BUSINESS IS OPEN AND OPERATIONAL

The following methods may be used to support a business is open and operational:

- Evidence of current work (e.g. executed contracts or signed invoices)
- Evidence of current business receipts (e.g. payments for services performed)
- Certification business is open and operating through a phone call or other means (e.g. verbal verification of employment)
- Business website demonstrating activity supporting current business operations (e.g. website printout confirming appointment for estimates or services can be scheduled)
 Not applicable to USDA and VA loans.

As a best practice, the methodology used should correlate with the nature of the borrower’s business operations.



UNACCEPTABLE DOCUMENTATION TO VERIFY BUSINESS IS OPEN AND OPERATIONAL

At this time, the below documents are not considered acceptable for use as they do not support the business is open and operational:

- Business license (e.g. individual or company business license)
- Business listing without verbal confirmation the business is open.
- CPA verification, unless the CPA letter indicates the person is part of the day to day operations
- The presence of a business website alone is not acceptable. In order to be considered acceptable, as stated above, the documentation from the website must show current online scheduling of services and/or appointments.

Please refer to the [Temporary COVID Guidelines](#) for complete details.

ADDITIONAL RESOURCES

Fannie Mae: [LL-2021-03](#)

Freddie Mac: [Bulletin 2020-27](#), [Bulletin 2020-8](#)

FHA Mortgage Letter: [ML 2020-24](#)