



IMPORTANT UNDERWRITING UPDATE

BULLETIN 32-08092022

Issued to: All Channels

Date: 08-09-2022

SUBJECT Lending Updates – July 2022

This announcement covers recent updates made by Fannie Mae, Freddie Mac, FHA, and updates to the Prime and Expanded Jumbo Products. The summary below covers the updated topics and their respective effective dates, and the agency communication number for reference.

Fannie Mae	<p>Lender Letter 2022-03 Published July 6, 2022</p> <p>Effective with applications on or after March 1, 2023.</p> <p>The Supplemental Consumer Information Form (Form 1103) is currently optional, but will become mandatory with all applications on or after March 1, 2023. Use of the form may begin immediately.</p> <p>Selling Guide Announcement (SEL - 2022-06) Published July 6, 2022</p> <p>Compliance with Address Confidentiality Programs Fannie Mae updated their guide to include a requirement that sellers and servicers must comply with all applicable statutes in states that offer an Address Confidentiality Program.</p> <p>For a loan in which a borrower is enrolled in a state Address Confidentiality Program, the seller/servicer must:</p> <ul style="list-style-type: none">• Include both a property address and separate mailing address• Report Special Feature Code 877• Complete the post-purchase adjustment process within 5 days of receiving notification that a borrower has enrolled in, or has unenrolled in, one of these programs, and• Provide notice of program enrollment and the borrower mailing address to any transferee servicer upon the transfer of servicing rights. <p>ALTA Forms Update The American Land Title Association (ALTA) released a 2021 revision to their loan policy forms. Fannie Mae has updated their guides to reflect use of these updated forms and to differentiate between the use of the 2006 & 2021 versions.</p> <p>Use of the new form may begin immediately but will be required by January 1, 2024.</p> <p>Calculating the LTV ratio for manufactured home subdivisions When an existing manufactured home is being sold to a consumer by a builder, developer, or manufacturer acting as a developer as part of a new or existing manufactured home subdivision, the LTV ratio will be based on the lower of:</p> <ul style="list-style-type: none">• The sales price of the manufactured home and land, or• The current appraised value of the manufactured home and land.
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	<p>List of approved mortgage insurers and approved mortgage insurance forms</p> <ul style="list-style-type: none"> Please see Approved Mortgage Insurers and Related Identifiers document to see an updated listed of approved mortgage insurance providers. Approved Mortgage Insurance Forms has also been updated to remove expired forms. 											
Freddie Mac	<p>Bulletin 2022-15 Published July 6, 2022</p> <p>Form 1003, Supplemental Consumer Information Form (SCIF)</p> <ul style="list-style-type: none"> The Supplemental Consumer Information Form (Form 1103) is currently optional, but will become mandatory with all applications on or after March 1, 2023. Use of the form may begin immediately. 											
FHA	<p>Mortgagee Letter 2022-09 Published July 7, 2022</p> <p>Effective Immediately HUD Handbook 4000.1 has been updated to provide additional instructions for calculating effective income after a reduction or loss of income for borrowers affected by COVID-19.</p> <p>Mortgagee Letter 2022-11 Published July 12, 2022</p> <p>Effective for case numbers assigned on or after June 1, 2022, the FHA has increased the initial appraisal validity period to 180 days from the effective date of the appraisal. This mortgagee letter also extends the appraisal update validity period to one year from the effective date of the initial appraisal report.</p>											
Prime Jumbo	<p>Our investor has made the following changes to our Prime Jumbo Product</p> <p>Payments of Past Mortgages / Rent Added:</p> <ul style="list-style-type: none"> On the date of the loan application, the borrower's mortgage payments (first and second) on the subject property must be current. (Added to current guides) <p>Cryptocurrency</p> <ul style="list-style-type: none"> The purchase price of a property and earnest money deposit cannot be in the form of cryptocurrency and payments on rental properties cannot be in cryptocurrency. In addition, cryptocurrency can be used for down payment, closing costs, and reserves provided funds have been converted into U.S. dollars and meet Sale of Assets and Large Deposit policies. Income paid in cryptocurrency was previously listed as unacceptable in the "Evaluating Employment and Income" section. It has now been added to the "Unacceptable Sources of Income" section as well. <p>Removed:</p> <p>Continuity of Obligation</p> <ul style="list-style-type: none"> Previously, the payment history requirement did not apply when the new borrower was a related person to the borrower on the mortgage being refinanced. With this update, the documentation showing a timely payment history is required regardless of whether the new borrower is a related person. <p>The following guidance has been removed from the guide.</p> <ul style="list-style-type: none"> Is a related person to a borrower on the mortgage being refinanced; or 											
Expanded Jumbo	<p>The following updates have been made to our Expanded Jumbo Product</p> <table border="1" data-bbox="402 1457 1572 1812"> <thead> <tr> <th data-bbox="402 1457 651 1491">Section</th> <th data-bbox="651 1457 800 1491">Date</th> <th data-bbox="800 1457 1572 1491">Update</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 1491 651 1667">Forbearance</td> <td data-bbox="651 1491 800 1667">07.27.2022</td> <td data-bbox="800 1491 1572 1667"> Added: For Borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.02.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section. </td> </tr> <tr> <td data-bbox="402 1667 651 1812">Asset Requirements</td> <td data-bbox="651 1667 800 1812">07.27.2022</td> <td data-bbox="800 1667 1572 1812"> Removed: <ul style="list-style-type: none"> Retirement Accounts <ul style="list-style-type: none"> In cases where the account holder is not of retirement age and funds are being used for down payment or closing costs, evidence of liquidation of retirement funds is required. </td> </tr> </tbody> </table>			Section	Date	Update	Forbearance	07.27.2022	Added: For Borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.02.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section.	Asset Requirements	07.27.2022	Removed: <ul style="list-style-type: none"> Retirement Accounts <ul style="list-style-type: none"> In cases where the account holder is not of retirement age and funds are being used for down payment or closing costs, evidence of liquidation of retirement funds is required.
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	Credit Requirements	07.27.2022	Added: Social Security Income <ul style="list-style-type: none"> Secondary validation is required when income is documented via a Social Security Benefit Award letter of a 1099. Acceptable validation can be in the form of tax transcripts / 1099 transcripts, or a bank statement showing evidence of the SSI deposit and dated within 30 days of the application date
	First-Time Homebuyer	07.27.2022	Added: <ul style="list-style-type: none"> Verification of rental history is not required.

This bulletin, and all other GHMC issues bulletins, are posted in the Resource Center in the Bulletins folder.

Please contact your Account Executive for assistance.

We appreciate your business!