

IMPORTANT UNDERWRITING UPDATE

BULLETIN 40-09132022

Issued to: All Channels

Date: 09-13-2022

SUBJECT	Lending Updates – August 2022
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This announcement covers recent updates made by Fannie Mae, Freddie Mac and VA, as well as updates to the Prime Jumbo Product. The summary below covers the updated topics and their respective effective dates, and the agency communication number for reference.

Fannie Mae	<p>Selling Guide Announcement (2022-07) Published August 3, 2022</p> <p>Verbal Verification of Employment Alternative Effective immediately the Selling Guide has been updated to add an alternative to satisfy the verbal VOE requirement for non-DU Validation service loans. With this update, for borrowers who are not self-employed, GHMC:</p> <ul style="list-style-type: none"> May use an email exchange with the borrower’s employer within 10 business days prior to closing to verify employment. Must conduct due diligence to confirm the email address for the employer is accurate; and Must ensure the email is from the employer’s work email address and includes the borrower’s name, title, and work email address of the individual contacted at the employer, date of contact, and borrower’s current employment status.
Freddie Mac	<p>Bulletin 2022-16 Published August 3, 2022</p> <p>Properties with age-based resale restriction are now eligible for ACE appraisal waivers or Appraised value representation and warranty relief provided by Loan Collateral Advisor.</p> <p>Properties with income-based resale restrictions remain ineligible for ACE appraisal waivers.</p> <p>Partial Income Representation and Warranty Relief The Selling Guide has been updated to define and highlight partial income representation and warranty relief and provide more details on the requirements for each warranty relief result.</p> <p>Partial Income Representation and Warranty Relief is granted when multiple income sources are submitted through Loan Product Advisor and one or more of the income sources receive income representation and warranty relief, but additional sources of income are required. In these instances, the income that is not granted representation and warranty relief must be documented in accordance with the Selling Guide.</p> <p>With these changes:</p> <ul style="list-style-type: none"> A Loan Product Advisor feedback message indicating partial income representation and warranty relief has been added. Loan Product Advisor feedback messages have been updated to provide representation and warranty relief details specific to each income source Loan Product Advisor feedback messages will be specific and actionable.
VA	<p>VA Circular 26-21-17 Published August 10, 2022</p> <p>VA has extended the rescission date of original VA Circular 26-21-17 (originally published on September 14, 2021) from October 1, 2022 to October 28, 2022</p>

Prime Jumbo	The following changes have been made to the Prime Jumbo Product:		
	UPDATES		
	All new updates will be in RED font.		
	Section	Date	Update
	Real Estate Obligations: Departure Property	08.05.2022	Updated: The current principal residence is pending sale but will not be closed/transferred prior to the new transaction (evidence that property is up for sale or pending sale is required):
Gift Funds	08.16.2022	Added: <ul style="list-style-type: none"> The dollar amount of the gift, the date the funds were transferred ("At closing" if funds to be sent directly to closing agent), the donor's name, address, telephone number, his/her relationship to the borrower. 	
Stocks and Other Securities	08.16.2022	Added: If there is a margin account secured by stock/securities, the borrower's total assets must be reduced by the margin account's outstanding balance amount, plus any overdrawn amount.	
Condos	08.25.2022	New Section Added	

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