



DELEGATED CORRESPONDENT ANNOUNCEMENT 2019-03

January 17, 2019

Impact of Federal Government Shutdown

Effective January 16, 2019 Fannie and Freddie Mac have jointly created flexibilities for borrowers who are government employees that are experiencing an interruption in income due to the Federal Government shutdown. These temporary requirements and waivers will automatically expire when the government resumes operations. FCM's guidelines will not be updated to reflect these requirements as they are temporary.

We are imposing a minimum reserve requirement, which serves as a compensating factor to offset the risk associated with the interruption of income. Additional flexibility is also now available regarding the verbal verification of employment (VOE) and our paystub age requirements.

Liquid Financial Reserves

The borrower must have the **greater** of:

- Two months of documented reserves; or
- The amount of reserves required by DU

Verification of Employment and Income

Borrowers whose employment have been impacted:

- An attempt to obtain a verbal VOE will be made prior to loan closing. VOEs from 3rd party verification services (ex. Work Number) continue to be available and should be obtained.
 - When a verbal VOE cannot be obtained prior to closing and/or delivery of the loan, the requirement will be waived when a certification of steps taken to obtain is in the file and the requirement could not be met as a direct result of the shutdown.
- Borrowers must provide their most recent YTD paystub. The requirement that the paystub be dated within 30 days prior to application is being waived. The underwriter must be able to properly calculate income from the paystub provided, all other paystub/documentation remains unchanged.