

## WHOLESALE PRODUCT & PRICING BULLETIN 2017-02 GUIDELINE UPDATE

**Below is a summary of changes effective April 3, 2017. Please see the full guidelines for specific details regarding these changes.**

### Conventional

#### ***1.06.05 Self-Employed***

- In accordance with Freddie Mac Bulletins 2016-19 and 2016-23 FCM will be aligning with new self-employment documentation guidelines beginning with applications after May 1, 2017. Applications prior to May 1, 2017 and closing before July 6<sup>th</sup> 2017 may follow current guidance. See Full Guidelines for more details.

#### ***1.06.15 Tax Transcripts***

- Tax Transcript policy has been updated to require transcripts in accordance with income type used to qualify. See Full Guidelines for Income Type/Transcript requirements.

#### ***1.06.16 Unreimbursed Business Expenses***

- Freddie Mac has aligned their policy with Fannie Mae regarding 2106 Expenses. References to the AUS system and individual guidance has been consolidated.

#### ***1.07.20 Large Deposits***

- The definition of a large deposit has been redefined as a **single** non-payroll deposit.

#### ***1.10.06 Du Refi Plus and LP Relief Refi***

- Maximum DT Ratios have been changed to:  
FICO  $\geq$  700: AUS determines approval  
FICO  $\leq$  699: Maximum DTI capped at 50%

### FHA

#### ***1.03.22 Manufactured Homes Requirement and Restrictions***

- Minimum credit score has been reduced to 660

#### ***1.05.14 Tax Transcripts***

- Tax Transcript policy has been updated to require transcripts in accordance with income type used to qualify. See Full Guidelines for Income Type/Transcript requirements.

#### ***1.06.15 Large Deposits***

- The definition of a large deposit has been redefined as a **single** non-payroll deposit.

#### ***1.07.04 Credit Score Requirements***

- A borrower may have a “no score” credit report – the file may be considered for manual underwriting provided the borrower can provide non-traditional trade lines to be verified and borrower meets all manual underwriting requirements.

#### ***1.07.16 Paying Down Accounts***

- Revolving accounts paid to zero are not required to be closed and may remain open at the underwriter’s discretion

## VA

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#### ***1.03.17 Manufactured Homes Requirement and Restrictions***

- Minimum credit score has been reduced to 660

#### ***1.07.04 Credit Score Requirements***

- A borrower may have a “no score” credit report – the file may be considered for manual underwriting provided the borrower can provide non-traditional trade lines to be verified and borrower meets all manual underwriting requirements.

#### ***1.05.15 Tax Transcripts***

- Tax Transcript policy has been updated to require transcripts in accordance with income type used to qualify. See Full Guidelines for Income Type/Transcript requirements.

## RD

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#### ***1.04.04 Power of Attorney***

- A non-military Power of Attorney may only be used when a borrower is incapacitated. A military Power of Attorney may only be used when proof of deployment is shown.

#### ***1.10.04 Hazard Insurance***

- Updated maximum deductibles allowed the greater of either \$1000 or 1% of policy coverage.
- Flood Insurance deductibles may exceed minimum required deductibles if allowed by state or federal law.

***1.11.02 RD Streamlined-Assist Refinance (Formerly RD Pilot Program)***

- The borrowers must have a net tangible benefit of at least \$50 per month reduction in Principal and Interest (taxes and insurance may not be included in this comparison) and annual fee when compared to the existing payment.

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## Specialty Lending Group

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- The Bank Statement Program has been removed from the guidelines and is temporarily suspended. FCM SLG Group is redesigning the program and will be re-introducing the product at a later date.

***All of these changes are reflected in the full guidelines - Version 4.1.17***