

WPPB2017-02 GUIDELINES UPDATE April 3, 2017

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 6th 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 > 700: AUS determines approval FICO < 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

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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

1.03.17 Manufactured Homes Requirement and Restrictions

Minimum credit score has been reduced to 660

1.07.04 Credit Score Requirements

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underwriting provided the borrower can provide non-traditional trade lines to be verified and
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 Tax Transcript policy has been updated tor require transcripts in accordance with income type used to qualify. See Full Guidelines for Income Type/Transcript requirements.

RD

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.



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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.

Specialty Lending Group

• 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.