



WHOLESALE PRODUCT & PRICING BULLETIN 2017-06 GUIDELINE UPDATE

Below is a summary of changes effective September 5, 2017. Please see the full guidelines for specific details regarding these changes.

Conventional

1.05.12 Alimony, Child Support or Separate Maintenance

- Alimony may be calculated as a reduction in income OR as a liability.

1.05.13 Debts Paid by Others/Contingent Liabilities

- **Mortgage Debt:** When a borrower is obligated on a mortgage debt – but is not making the payments, the payment may be excluded only if the payor is obligated on the debt (evidenced by the note) and 12 cancelled checks are provided showing the borrower is not paying the debt and no delinquencies have occurred in the 12 month payment history.

1.05.19 Student Loans

- **FOR DU TRANSACTIONS**

If a monthly student loan payment is provided on the credit report, the lender may use that amount for qualifying purposes. If the credit report does not reflect the correct monthly payment, the lender may use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower. Income based repayment plan payments are acceptable.

For loans where payments reflect as \$0.00 on the credit report, the following applies:

Income Based Repayment Plan:

- the lender may obtain student loan documentation to verify the actual monthly payment is \$0. The lender may then qualify the borrower with a \$0 payment.

Deferred loans or loans in Forbearance:

- a payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or
- a fully amortizing payment using the documented loan repayment terms.



- **FOR LP TRANSACTIONS**

Student Loan – Medical Profession

For the follow Medical designations, Student Loans that are deferred for a minimum of 12 months after the date of the note do not have to be included in the DTI:

- Medical Resident
- Medical Doctor (MD)
- Doctor of Dental Science (DDS)
- Doctor of Dental Medicine (DMD) or be a dental surgeon specializing in oral and maxillofacial surgery
- Doctor of Ophthalmology (MD)
- Doctor of Optometry (OD)
- Doctor of Podiatric Medicine (DPM)
- Doctor of Osteopathic Medicine (DO)

Loan will require Non-Delegated MI with appropriate coverage as required by AUS.

1.10.06 DU Refi Plus and LP Relief Refinance

- DU Refi Plus and Relief Refi – Open Access application must be dated on or before December 31, 2018.

1.08.06 Property Evaluation

- Per Fannie Mae’s Desktop Underwriter update on August 19, 2017 PIWs will now be available for some purchase transactions.
- Per Freddie Mac Bulletin 2017-13 ACE has been expanded to include purchases.

FCM Guidelines accept the collateral level review returned by DU and LP.

FHA

1.07.03 Credit Score Requirements

- The restriction on family and employer gifts for credit scores between 600-639 has been removed. Gifts from these sources are now eligible.

All of these changes are reflected in the full guidelines - Version 09.01.2017