



WHOLESALE ANNOUNCEMENT 2019-12

April 23, 2019

Guideline Updates

CONVENTIONAL

1.03.06 Manufactured Home Requirements and Restrictions: Added Cash Out as an eligible transaction. Cash out is capped at 65% LTV, max term of 20 years and 620 minimum credit score

1.09.04.02 Secondary Residence or Second Home: updated to add Freddie will permit second homes with seasonal limitations for year-round occupancy provided the appraiser includes at least one comp with similar seasonal limitations to demonstrate the marketability of the subject...Must be run LP. Also noted, Freddie has specified that the property may be rented out on a short-term basis, but the borrower must keep the property securing the second home mortgage available primarily (more than half of the year) as a residence for the borrower's personal use and it cannot be subject to any rent pools or agreements that require the borrower to rent the property, give a management company or entity control over the occupancy of the property or involved revenue sharing between any owners and developer or another party.

1.11.06.03 Home Possible Borrower Eligibility: The occupying borrowers **may not** have an ownership interest in more than two residential properties including the subject property, as of the note date. This is effective with loans closed on or after 05/15/2019. LPA will not be updated until 7/3/2019.

1.11.04.03 HomeReady Borrower Eligibility: The occupying borrowers **may not** have an ownership interest in more than two residential properties including the subject property, as of the note date. This is effective with loans closed on or after 05/15/2019. The additional reserves required for multiple financed properties are not applicable to HomeReady. DU will be updated to include the multiple financed property policy in a future release at which time this will be required for DU loan casefiles.

FHA

1.03.33 Manufactured Home Requirements and Restrictions: Added Cash Out as an eligible transaction. The manufactured home must have been onsite for 12 months prior to the case number assignment date.



VA

1.03.17 Manufactured Home Requirements and Restrictions: Purchase and Refinances (cash out is now allowed)

1.09.02.02 All Cash Out Refinances must meet the following requirements:

Refinancing Scenario	Seasoning requirement applicability
VA to VA, including IRRRL	Ginnie Mae Seasoning requirements are applicable
Non-VA to VA refinance	Ginnie Mae Seasoning requirements are applicable
Loan Refinancing Non-Mortgage Debts (VA requires the payoff of a secured lien for the transaction to be eligible)	Ginnie Mae Seasoning requirements are not applicable
Loan Refinancing a Mortgage Without Scheduled Monthly Payments (ex. Reverse Mortgage)	Ginnie Mae Seasoning requirements are not applicable
Permanent Financing Construction Loan	If structured as a purchase, Ginnie Mae seasoning requirements are not applicable. If it is structured as a refinance, certain Permanent Financing Construction Loans may be exempt from the seasoning requirements when the loan associated with the mortgage that is being refinanced does not, by its own terms, provide for a minimum of six-monthly payments. (EX. A refi loan used to pay off a construction loan with terms that provide for interest only payments during the first 4 months followed by a fifth payment covering the full balance would not be subject to Ginnie Mae seasoning requirements.)