

# Home Savings of America

Wholesale Lending

## BROKER BULLETIN



### Summary

**DU for Government Loans to be updated December 17, 2011**

### Detailed Requirements

FNMA will install an update for DU for Government loans the weekend of December 17, 2011. Any new submissions and any re-submissions will be subject to the changes. Key items are listed below

#### Updates to the Credit Risk Assessment for VA Loan Casefiles

The credit risk assessment for the U.S. Department of Veteran's Affairs (VA) loan casefiles will be updated with this release. As a result of these updates, customers should expect to see:

Overall improved credit characteristics for loan casefiles that receive an Approve recommendation.

A change in the underwriting recommendation for some loan casefiles. For example, some loan casefiles that previously received an Approve recommendation may now receive a Refer recommendation.

Reduced Approve recommendation rates. The overall reduction may vary by customer depending on the credit characteristics of the VA loan casefiles submitted to DU.

VA loan casefiles created on or after the weekend of December 17, 2011, will be evaluated using the new credit risk assessment. In addition, VA loan casefiles created prior to December 17, 2011, and resubmitted to DU on or after the weekend of December 17, 2011, will be evaluated using the new credit risk assessment if there are changes to any of the key credit characteristics of the loan casefile (e.g., LTV).

**HSOA Reminder: While manual underwrites on Refer recommendations are accepted by all HSOA investors, if the findings switch to Refer, the underwriter must reaffirm that the loan is still of HSOA and VA quality.**

#### FHA and VA 2012 Loan Limits

##### FHA Loan Limits

The 2012 FHA county loan limit file will be incorporated in this release. The new county loan limits, when published, will be available on HUD's Web site at <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

Submissions made prior to the weekend of December 17, 2011, will be based on the current county loan limits. Loan casefiles resubmitted, or created, after the weekend of December 17, 2011, will be based on the January 2012 county loan limits.

##### VA Loan Limits

The 2012 VA county loan limits will be incorporated in this release. The new county loan limits, when published, will be available on VA's Web site at [http://www.homeloans.va.gov/loan\\_limits.htm](http://www.homeloans.va.gov/loan_limits.htm).

DU Submissions made prior to the weekend of December 17, 2011, will be based on the current county loan limits. DU Loan casefiles resubmitted, re-ran, or created after the weekend of December 17, 2011, will be based on the January 2012 county loan limits.

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Because DU does not know the closing date associated with a loan casefile, lenders are responsible for ensuring that the correct VA county loan limit is applied for all submissions to DU (It is possible that between December 18 and December 31 DU will issue an approval at a limit that isn't in effect until 2012).

### **Locks/Pipeline**

Effective immediately

### **Questions**

If you have any questions, contact your Wholesale Community Banker.

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