



Wholesale BROKER BULLETIN

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Summary

HSOA has updated guidelines on several of our programs. See the items listed below and look for updated Product Summaries to be published in early February.

1. **2011 W-2 and 2012 YTD paystub guidance provided**
2. **FNMA rental income calculations required on FHA and VA loans**
3. **USDA loans**
 - a. **Large deposit documentation requirements relaxed**
4. **2106 Expenses on VA loans**

Detailed Requirements

1. **2011 W-2 and 2012 year-to-date paystubs** (applies to all loans, all programs)

Effective date: UW submissions February 1, 2012

Effective with new submissions received on and after February 1, 2012, when the AUS requirement is for the most recent year W-2s and current year paystubs:

- 2011 W-2s are required
- Year-to-date (YTD) paystubs are to reflect the 2012 earnings to date.
- (Note: FHA, VA and USDA require at least 30 days earnings on the YTD paystub; FNMA does not have a 30-day minimum; FNMA requires only all earnings earned to date, provided there is sufficient information to render a prudent income calculation.

For loans submitted prior to February 1, 2012,

- the 2011 W-2 and 2012 pay stubs are required if the:
 - credit documents are expiring on or after February 1, 2012, or
 - previously submitted documentation is not sufficiently complete to render a prudent underwriting decision
- If DU requires a W-2 for previous year earnings, provide
 - either a 2011 W-2 and 2012 YTD paystub, or
 - 2010 W-2 and the latest 2011 YTD paystub
 - If the borrower provides a 2010 W-2 and 2012 YTD paystub, then the income for 2011 must also be documented by the latest 2011 YTD paystub

2. FNMA Rental income calculations on FHA and VA loans (applies to all FHA and VA loans).

Effective date: Underwriting submissions starting January 21, 2012

Effective with loans submitted on and after January 21, 2012, FHA and VA loans with rental income must use the [FNMA rental income calculator](#). This applies to any rental property owned by the borrowers and if a refinance, rental income on an owner occupied 2-4 unit property.

FNMA worksheet can also be found on the hsoawholesale.com website>>Resources>>Miscellaneous

3. USDA loans: Large Deposits

Effective date: Immediately

Large Deposits

We have softened our requirements regarding the requirement for sourcing large deposits on bank statements. Large deposits must be adequately explained and documented. This applies to any non-payroll deposit \geq \$500 individually or cumulatively on each statement.

4. 2106 Expenses on VA Loans

Effective date: Underwriting submissions starting January 21, 2012

2106 – Un-reimbursed business expenses

- 2106 expenses must be added as a long-term debt and included in the ratios.

Locks/Pipeline

See above

Questions

If you have any questions, contact Wholesale Account Executive.

For broker use only.
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