



Wholesale BROKER BULLETIN

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Summary

The Conforming Programs and Related Overlays are revised to reflect updated program guidelines.

Detailed Requirements

The conforming conventional guidelines have been updated and reflect a 1/30/12 revision date.

Summary is as follows:

Conforming Fixed and LIBOR ARM has been updated with the following changes

- Overlay for minimum number of trade lines has been rescinded
- SH and NOO transactions with 5-10 financed properties added.
- 3-4 unit properties have been added to the FNMA High Balance overlay
- DU Refi Plus Credit score minimums reduced to 620 for primary residences to conforming limits

As announced earlier, the CEMA overlay is temporarily suspended.

Accordingly, the following Product Summaries have been updated and posted:

- [Conforming Fixed and LIBOR ARM](#)
- [DU Refi Plus](#)
- [FNMA High Balance](#)
- [Texas Refinances](#) (with cash out refinances temporarily suspended)

These new guidelines are effective with new underwriting submissions starting January 31, 2012 and all loans previously underwritten that are not funded by February 20, 2012 must meet these requirements.

Key changes include:

- LPMI loans are available through Radian on fixed rate loans up to \$417,000
- Hawaii and New York: not eligible
- Title vesting in trusts are not accepted
- Flipping requirements updated: no re-sales during the first 90 days of ownership
- Delayed financing option is not allowed
- Age of documentation applies to funding date, not Note date
- YTD pay stub and W-2 are required for wage earners regardless of DU findings.
- 4506-T Tax transcripts required on all loan files
- Additional requirements added in Continuity of obligation
- Disputed tradelines must be cleared and DU re-run
- Six months seasoning required if the previous transaction provided cash out.

- Maximum 50% DTI on conforming loans; see below for DU Refi Plus and FNMA High Balance
- Appraisal form requirements updated
- NAL and family-related transactions primarily limited to owner occupied transactions
- 216 and 1007 required on NOO properties, even when rental income is not being used
- POA requirements added
- Unpermitted space and recently listed property criteria have been updated
- Appraisal updates are not accepted
- Large deposit documentation applies to non-payroll deposits of >=\$500.

Additional program specific changes include the following:

DU Refi Plus

- Minimum credit score reduced to 620 for standard loan limit primary residence
- High Balance available only on 1 unit primary residence units
- Borrowers must receive no cash back at closing.
- Maximum 50% DTI for conforming limits, 45% on High Balance
- Condominium Project Review requirements rescinded
- YTD pay stub and W-2 are required for wage earners regardless of DU findings.

FNMA High Balance

- 3-4 unit properties now accepted on Purchase and R/T primary residences, subject to 2 appraisals
- Full project review required on all condominiums
- DTI requirements
 - Maximum 50% DTI for LTV < = 80%.
 - Maximum 41% DTI for LTV > 80% with credit score 700-719.
 - Maximum 45% DTI for LTV > 80% with credit score 720 and above.
- Paying off revolving debt to qualify is not allowed
- YTD pay stub and W-2 are required for wage earners regardless of DU findings.

Locks/Pipeline

As above

Questions

If you have any questions, contact your Wholesale Account Executive.

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