

BULLETIN #2015-02

TO: Distribution

DATE: January 21, 2015

RE: Fannie Mae — MyCommunityMortgage® Updates and Collateral Underwriter® Procedures

EFFECTIVE DATE: As indicated below

CMG CORRESPONDENT POLICY AND GUIDELINE UPDATES

Topics Covered in this Announcement:

- Fannie Mae's MyCommunityMortgage® Updates
- Fannie Mae's Collateral Underwriter® Procedures

UPCOMING FHA PREMIUM REDUCTION

Effective Date: January 27, 2015

Summary: Fannie Mae's MyCommunityMortgage® updates will be available to all Correspondent lenders subject to all Fannie Mae requirements and CMG overlays.

CMG Overlays:

- **For LTV/CLTV/HCLTV greater than 95%:**
 - Minimum credit score of 640 is required
 - Gifts are not permitted to be used for reserves regardless of Fannie Mae/DU acceptance.
- **All education and counseling must be provided by a third party that is independent of the lender and must:**
 - Adhere to the National Industry Standards for Homeownership Education and Counseling, AND
 - Be administered by and documented from
 - An adopted program listed on the [homeownership standards website](#)
 - OR
 - An acceptable MI company. For a complete list of CMG-approved MI companies, refer to the Sellers Guide section of [CMGfi.com/Correspondent/Resources](#)

CMG Eligible Terms and Product Codes –

Fixed:

- 101MCM – 30 year fixed
- 101MCMHB – 30 year fixed High Balance
- 102MCM – 15 year fixed
- 102MCMHB – 15 year fixed High Balance

ARMs:

- 1451MCM – 5/1 ARM
- 1451MCMHB – 5/1 ARM High Balance

Note: 5/1 ARM's qualify at the greater of the Fully Indexed Rate or Note Rate + 2%.

Guidelines: January 27, 2015 an MCM-specific loan matrix will be available in the Guidelines and Loan Program Matrices section of [CMGfi.com/Correspondent/Resources](#)



REMINDER: THRESHOLD CHANGE TO QM POINTS & FEES AND SECTION 32 APR

Effective Date: January 26, 2015

Summary: On January 26, 2015, Fannie Mae will begin the phased rollout of Fannie Mae's new Collateral Underwriter® (CU) as part of the Uniform Collateral Data Portal® (UCDP). This change will impact the Sellers internal policies and procedures with the requirement of an Underwriter to review the UCDP and CU results during their collateral underwriting process. Loans identified by the Seller's Underwriter as having elevated risk should be carefully reviewed during the collateral underwriting process.

The objective is for the Seller to review all information that is available and in instances where value or accuracy cannot be supported, make use of review products to support the subject property value. If multiple characteristics exist on an applicable appraisal, resulting in a 4 or 5 rating from Fannie Mae's CU System, and the appraisal has not been adequately documented and issue addressed by the appraiser, then an additional form of review (ie: Desk and/or Field) should be used by the Seller.

In every case where a CU Compliance Flag is present, there may be something within the appraisal or within the data that would make that loan ineligible for purchase by CMG and delivery to Fannie Mae. As a pilot lender of the CU System, CMG has found these flags are very rare. These are oftentimes discrepancies such as illegal zoning, illegal use, commercial space, more than four units, etc. When they do occur, the flags must be addressed clearly and directly by the Seller prior to purchase by CMG.

For complete details, please refer to CMG's [Appraisal Review Using FNMA Collateral Underwriter Procedure](#).

To help clarify requirements, CMG will host a webinar on Friday, January 23rd at Noon (PST) / 1:00 (MST) / 2:00 (CST) / 3:00 (EST). [Register](#) today!

Additional Resources:

- Fannie Mae – Collateral Underwriter (CU) Portal Login: <https://alpha.fanniemae.com/alpha>
- Fannie Mae – CU Resources: <https://www.fanniemae.com/singlefamily/collateral-underwriter>

REMINDER: FHA ARM LOOK-BACK PERIOD

Summary: HUD has changed the FHA-insured ARMs look-back period to 45 days (previously 30). In support of the final HUD rule, CMG will also require the Seller to comply with the disclosure and notification requirements of the 2013 TILA Servicing Rule, including at least a 60-day but no more than 120 day advance notice of an adjustment to a borrower's monthly payment. Correspondent Sellers must ensure all loan documents and disclosures on FHA ARMs originated after January 10 are in compliance with the new rule.

Effective Date: Closed on or after January 10, 2015

Additional Resources: <http://www.gpo.gov/fdsys/pkg/FR-2014-08-26/pdf/2014-20215.pdf>

***Please contact your Correspondent Regional Manager or
your Correspondent Liaison with any questions.***

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