

**BULLETIN #2015-05**

**TO:** Distribution

**DATE:** February 11, 2015

**RE:** Escrow Holdback Changes and Reminders for FHA Streamline, VA Fees and FHA/VA Age of Documents

**EFFECTIVE DATE:** Immediately

**CMG CORRESPONDENT POLICY AND GUIDELINE UPDATES**

**Topics Covered in this Announcement:**

- Escrow Holdback Changes
- Reminders:
  - FHA Streamline Seasoning Requirements
  - VA Fees
  - FHA and VA Age of Documents

**ESCROW HOLDBACK CHANGES**

CMG is rolling out a new guideline addendum, escrow holdback agreements, and implementing new procedures for weather-related escrow holdbacks. Holdbacks will be permitted subject to CMG's [Weather Related Guideline Addendum](#).

**Effective Date:** Immediately

**Summary of Changes:**

- Weather-related and HUD REO as per guideline addendum
- CMG will retire the holdback-specific program codes
- Indicate "Escrow Holdback" using the check-box on CMG Correspondent's [Loan Submission](#) form
- Required in the loan package, CMG Financial's Holdback Agreement, or its equivalent
  - [Conventional Holdback Agreement](#)
  - [FHA/USDA Holdback Agreement](#)
  - [VA Form 26-1849 Postponed Exterior On-site Improvements](#)
- Document the repair costs and, if applicable, the Borrower's ability to pay them
- Title Company must agree in writing to hold the escrowed funds
- Only eligible for purchase transactions

Please refer to CMG's [Weather Related Guideline Addendum](#) for complete details by loan program for ineligible repairs, escrow amounts and limitations on time to complete repairs.

**REMINDER: FHA STREAMLINE SEASONING REQUIREMENTS**

**Effective Date:** Immediately

The seasoning requirement for all FHA Streamlines, in order to be eligible for purchase, is a threefold test, and the loan must past ALL three thresholds in order to be eligible.

On the date of new FHA case number assignment, ALL of the following must apply:

- **Number of payments** – Borrower must have made 6 PAYMENTS on their current FHA-insured mortgage

- **First payment due date** – At least 6 FULL MONTHS must have passed since the first payment due date on the borrower's current FHA-insured mortgage
- **Closing date** – At least 210 DAYS must have passed from the closing date of the mortgage being refinanced

#### REMINDER: VA FEES

**Effective Date:** Immediately

CMG's VA Fees Policy covers allowable and unallowable fees for VA loans. As a reminder, admin fees are NOT VA allowable fees. For complete details, refer to CMG's [VA Fees Policy](#).

#### REMINDER: FHA AND VA AGE OF DOCUMENTS

Correspondent Sellers may follow FHA and VA standards for age of credit reports, asset, and income documentation.

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

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