

BULLETIN #2014-10

TO: Distribution

DATE:

March 25, 2014

RE: Weather Related Escrow Holdbacks / Postponed Improvements

EFFECTIVE DATE:

Immediately

CMG Financial Correspondent Lending is pleased to announce that weather related escrow holdbacks / postponed improvements are now eligible for purchase

There are specific requirements and conditions associated with this program:

- The total sum of outstanding escrow holdbacks cannot exceed 10% of approved seller's net worth at any one time.
- DU approve/eligible findings are required (LP is not acceptable).
- Eligible property type is new construction purchase or construct perm only.
- Only allowed for non-critical/deferred improvements (i.e., structural repairs and roof replacement would not be allowed).
- Postponement due to inclement weather is the only acceptable reason.
- The cost of completion of deferred repairs cannot exceed 10% of "as is" appraised value.
- The Final 1004D/HUD-92051 CIR is required no later than 150 days/5 Months of NOTE date.

The seller must provide a Postponed Improvements/Escrow Holdback Agreement executed by all parties with the initial file submission. The agreement must be reviewed and approved by CMG's Correspondent Operations manager.

A sample form has been provided here. If you are utilizing your own form, it must include all information and parameters defined in the sample form.

View the Sample Agreement:

<http://docs.cmgni.com/correspondent/sample-escrow-holdback.pdf>

There will be specific program codes for this product, please see the rate sheet for full programs and pricing:

- The conventional fixed rate program codes are: 101, 102, 103, 104WHLDBK
- The fixed rate MI program codes will be: 101LPMIHL/101BPMIHL
- FHA and VA program codes will reflect HLDBK in program code

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