

**BULLETIN #2015-28**

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**TO: Distribution**

**DATE: September 25, 2015**

**RE: CMG Credit Policy Update**

**EFFECTIVE: As noted below**

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**CMG CORRESPONDENT CREDIT POLICY AND GUIDELINE UPDATES**

**Topics Covered in this Announcement:**

- Reminder: Enhancement for W2 Transcripts - DU Loans
- Reminder: VA Enhancements coming October 1, 2015

**ENHANCEMENT FOR W2 TRANSCRIPTS - DU LOANS**

**Summary-** CMG will allow W2 transcripts on conforming loans subject to the following:

- DU Loans ONLY
- W2 borrowers only
- W2 transcripts required on all applicable W2's considered
- Any borrower with rental properties or commissioned income or self-employed income requires full tax returns and transcripts for the applicable years
- If DU requires tax returns for any reason, tax transcripts are required
- Must meet all other FNMA requirements
- Either tax return transcripts or W2 transcripts are required on ALL loans

**Reminder:** Full transcripts continue to be required for LP conventional conforming & Government loans.

**Effective Date:** Enhancement is effective immediately. CMG's posted Income Validation/Tax Transcript Policy is scheduled to be updated and reposted no later than October 1, 2015.

**VA ENHANCEMENTS COMING OCTOBER 1, 2015**

**Summary-** Effective with loans purchased on and after October 1, 2015 the following enhancements apply subject to requirements noted below:

- Rebuttable Presumption loans on VA IRRRL's allowed subject to the following:
  - 600 min fico
  - LGC must be provided prior to purchase
  - Recoupment must not exceed 60 months
  - No mortgage lates
  - No principal balance increase except for allowable points and fees
  - Allowable points and fees cannot exceed 3%
  - Rate must be reduced or convert ARM to fixed
  - Properties in New York are not eligible
  - All other VA IRRRL requirements must be met

- Enhancing minimum fico to allow <640 on VA IRRRLs with loan amounts > \$417,000 subject to the following:
  - 600-639 now permitted up to 150% LTV/CLTV
  - 600-619 Owner Occupied Only, regardless of loan amount
  - LGC must be provided prior to purchase
  - Properties in New York are not eligible
  - All other VA IRRRL requirements must be met
- VA loans up to 58% DTI allowed subject to the following:
  - AUS approve/accept only, no manual underwrites allowed
  - LGC must be provided prior to purchase
  - Properties in New York are not eligible
  - All other VA loan level requirements must be met

**Effective Date:** Enhancements are effective for loans purchased on and after October 1, 2015.

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

3160 Crow Canyon Road, Suite 400, San Ramon, CA. 94583 | 800.501.2001 | NMLS #1820 | [www.cmgfi.com](http://www.cmgfi.com)

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