

BULLETIN # 2018-43

TO: Distribution

DATE: October 15, 2018

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

### CMG FINANCIAL CORRESPONDENT LENDING UPDATES

#### Topics Covered in this Announcement:

- Disaster Updates – Hurricane Florence End Dates for NC/SC
- New Product Rollout: Conventional Conforming Agency Paid Mortgage Insurance (APMI)
- Non-Agency Guideline Updates
- Disaster Updates- Hurricane Micheal

#### DISASTER UPDATES-HURRICANE FLORENCE END DATES NC/SC

**Summary:** FEMA has published end dates for the Hurricane Florence disaster declarations for both North Carolina and South Carolina. FHA loans are now eligible for disaster inspections.

##### SOUTH CAROLINA HURRICANE FLORENCE (DR-4394)

Incident period: September 08, 2018 to **October 08, 2018**  
Major Disaster Declaration Declared on September 16, 2018

##### NORTH CAROLINA HURRICANE FLORENCE (DR-4393)

Incident period: September 07, 2018 to **September 29, 2018**  
Major Disaster Declaration Declared on September 14, 2018

**Effective Date:** FEMA end dates are highlighted above.

#### NEW PRODUCT ROLLOUT; CONVENTIONAL CONFORMING AGENCY PAID MORTGAGE INSURANCE (APMI)

**Summary:** Effective Tuesday October 16, 2018, CMG is excited to announce the release of a new conventional conforming product line for LTVs exceeding 80%. This new product has agency paid mortgage insurance and requires separate product codes and pricing. There is neither borrower paid nor lender paid MI. This is NOT a "No MI" product and cannot be marketed as such. Basic eligibility mirrors standard CMG products except as noted below.

- Minimum LTV for all EPMI product codes is 80.01.
- Manufactured homes are not eligible.
- Not available for HARP products (DU Refi Plus, LP Open Access)
- MI Disclosures to reflect "APMI" for Agency Paid Mortgage Insurance

### New Product Rollout Call

Please register for New Product Rollout: Agency Paid Mortgage Insurance on Oct 18, 2018 1:00 PM PDT at:

<https://attendee.gotowebinar.com/register/8753688551335704322>

Please join this rollout webinar that introduces the product and answers FAQs.

After registering, you will receive a confirmation email containing information about joining the webinar.

**APMI specific product codes are to be stylized. See below for applicable product code.**

Correspondent Lenders must provide Borrowers with MI disclosures that are comparable to those required for lender-paid MI under Section 6 of the Homeowners Protection Act ("HPA") (i.e., 12 U.S.C. Section 4905); such notices must be provided in accordance with the same timing requirements applicable to lender-paid MI notices under Section 6 of the HPA.

Standard Conventional Conforming - Fixed Rate	
Loan Program Code	Term
101 EPMI	30Yr Fixed
101 HB EPMI	30Yr Fixed High Balance
125 EPMI	25Yr Fixed
125 HB EPMI	25Yr Fixed High Balance
103 EPMI	20Yr Fixed
102 EPMI	15Yr Fixed
102 HB EPMI	15Yr Fixed High Balance
104 EPMI	10Yr Fixed

Standard Conventional Conforming - ARMS	
Loan Program Code	Term
1431 EPMI	3/1 ARM
1431 HB EPMI	3/1 ARM High Balance
1451 EPMI	5/1 ARM
1451 HB EPMI	5/1 ARM High Balance
1471 EPMI	7/1 ARM
1471 HB EPMI	7/1 ARM High Balance
1410 EPMI	10/1 ARM
1410 HB EPMI	10/1 ARM High Balance

Fannie Mae HomeReady – Fixed Rate and ARMS	
Loan Program Code	Term
101 HR EPMI	FNMA HomeReady 30Yr Fixed
101 HR HB EPMI	FNMA HomeReady High Balance 30Yr Fixed
103 HR EPMI	FNMA HomeReady 20Yr Fixed
102 HR EPMI	FNMA HomeReady 15Yr Fixed
102 HR HB EPMI	FNMA HomeReady High Balance 15Yr Fixed
1451 HR EPMI	FNMA HomeReady 5/1 ARM
1451 HR HB EPMI	FNMA HomeReady High Balance B 5/1 ARM

Freddie Mac Home Possible and Home Possible Advantage – Fixed Rate and ARMS	
101HP EPMI	FHLMC HomePossible 30Yr Fixed
101HPA EPMI	FHLMC HomePossible Advantage 30Yr Fixed
102HP EPMI	FHLMC HomePossible 15Yr Fixed
102HPA EPMI	FHLMC HomePossible Advantage 15Yr Fixed
103HP EPMI	FHLMC HomePossible 20Yr Fixed
103HPA EPMI	FHLMC HomePossible Advantage 20Yr Fixed
1451HP EPMI	FHLMC HomePossible 5/1 ARM

**Effective Date:** Products and pricing will be available beginning Tuesday, October 16, 2018

#### NON-AGENCY GUIDELINE UPDATES

**Summary:** Multiple Non-Agency products are updated to align with new requirements. Updates are effective for loans locked on or after 10/15/2018:

6200 Series Jumbo Only:

- Eligibility Matrix
  - Removed footnote stating that Second home purchases with LTVs between 75.01 and 80% limited to 30-year fixed rate only
  - Removed footnote stating that Second home cash-out refinances limited to 30-year fixed rate only.
- Reserve Requirement
  - Removed the requirement for additional 3 months reserves when the loan product is an ARM

6200 & 7200 Series Jumbo:

- Eligibility Matrix
  - Lowered the minimum FICO score requirement from 720 to 700 for loan amounts up to \$1,500,000 with 80% LTV/CLTV/HCLTV maximum.

- Lowered the minimum FICO score requirement from 700 to 680 for loan amounts up to \$1,000,000 with 60% LTV/CLTV/HCLTV maximum
- Added cash-out refinance transactions allowed for 2-unit properties up to \$1,000,000 with minimum 700 FICO, 60% LTV/CLTV/HCLTV maximum and cash out maximum of \$250,000

6600 & 7600 Series Jumbo:

- Eligibility Matrix
  - Added cash-out refinance allowed for 3-4-unit properties up to \$1,500,000 with minimum 661 FICO, 60% LTV/CLTV/HCLTV maximum and cash out maximum of \$250,000
- Non-Warrantable Condos
  - Updated non-warrantable condominiums to allow up to 50% commercial space regardless of whether commercial space is owned and controlled by an HOA that is separate from the residential HOA

6200, 7200, 6600, 7600 Series Jumbo:

- Eligibility Matrix
  - Increased maximum loan amount on all investment transactions from \$1,000,000 to \$1,500,000.
- Reserve Requirement
  - Added reserve requirement for investment transactions with loan amounts between \$1,000,001 - \$1,500,000

**Effective Date:** Locks on or after 10/15/18

#### DISASTER UPDATES- HURRICANE MICHAEL

**Summary:** CMG is lifting the suspension for Florida, Georgia, and Alabama counties in regards to the impact of Hurricane Michael. CMG is applying the disaster policy to those counties that FEMA has designated for Individual Assistance. Below is a current summary and is subject to change as FEMA provides updates. These declarations do not yet have an incident end date.

As a reminder, FHA closings/purchases are not eligible in counties with FEMA declared individual assistance until a FEMA end date is declared (or FHA issues a waiver for the end date) and a disaster inspection is obtained.

#### Florida Designated Counties (Individual Assistance):

Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Taylor, Wakulla, Washington

Incident Period: October 07, 2018

Major Disaster Declaration declared on October 11, 2018

<https://www.fema.gov/disaster/4399>

#### Georgia Designated Counties (Individual Assistance):

Baker, Decatur, Dougherty, Early, Miller, Seminole

Incident Period: October 09, 2018

Major Disaster Declaration declared on October 14, 2018

<https://www.fema.gov/disaster/4400>

**CMG's Disaster Policy Link:** <http://docs.cmgfi.com/corporate/Disaster-area-cps-1004-ALL.pdf>

*Please contact your Correspondent National Sales Manager*

*or your Correspondent Liaison with any questions.*



© 2018 CMG Financial. All Rights Reserved. CMG Financial is a registered trade name of CMG Mortgage, Inc., NMLS #1820 in most, but not all states. CMG Mortgage, Inc. is an equal opportunity lender, licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act No. 4159025, California Finance Lenders Law No. 6053674. For information about our company, please visit us at [www.cmgfi.com](http://www.cmgfi.com). To verify our complete list of state licenses, please visit [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org). For more information on State licenses, please visit <http://www.cmgfi.com/corporate/licensing>

[Unsubscribe here](#), if you don't wish to receive these messages in the future.  
null, null null