

BULLETIN #2014-32

TO: Distribution **DATE:** November 4, 2014
RE: HPML Policy Clarification, Seller Resources website layout changes and Fannie Mae HomePath Program Retirement Reminder **EFFECTIVE DATE:** Immediately

Items covered in this announcement:

- High Priced Mortgage Loan (HPML) Policy clarifications
- CMGfi.com Seller Resources website layout changes
- Fannie Mae HomePath Program retirement reminder

High Priced Mortgage Loan (HPML) Policy Clarification

In response to frequently asked questions, CMG's [Rebuttable Presumption/HPML Policy](#) is being updated to indicate CMG only accepts QM Safe Harbor agency loans. For your convenience, [CMG Financial Correspondent Lending Policy Quick Reference Guide](#) is available.

The most significant clarification is in regards to the impact of HUD's final rule. According to information provided in the rule itself, it allows more mortgages to qualify as safe harbor and fewer loans will fall into rebuttable presumption as a result of relying on the HUD test. Also, according to HUD, every FHA loan that would have qualified as safe harbor qualified mortgage under the CFPB regulations will qualify as a safe harbor under the HUD rule. See reference links below under "External Resources".

Tests may vary by agency to determine whether or not a loan is considered Rebuttable Presumption and may be different than how the tests and/or acceptability were defined in the past. CMG Financial will review loan QM acceptability based on the tests referenced in this updated policy.

Guidelines and other posted documentation will be updated to align with this update/clarification.

External Resources:

- CFPB – "What is a Higher-Priced Mortgage Loan?" <http://www.consumerfinance.gov/askcfpb/1797/what-higher-priced-mortgage-loan.html>
- FNMA – HARP FAQs: <https://www.fanniemae.com/content/faq/harp-du-refi-plus-faqs.pdf>
- HUD – Qualified Mortgage Rule: <http://www.regulations.gov/#!documentDetail;D=HUD-2013-0093-0001>
- VA – Qualified Mortgage Rule: <http://www.gpo.gov/fdsys/pkg/FR-2014-05-09/pdf/2014-10600.pdf>

CMGfi.com Seller Resources Website Layout Changes

On Friday, October 31, 2014 changes were made to the layout of the [Seller Resources](#) page of CMGfi.com to support the publication of newly formatted loan program matrices and guidelines. A summary of those changes can be found [here](#). We expect these changes will make it easier for you to sell your high quality loans to CMG Financial.

Reminder: Fannie Mae HomePath Program Retirement

December 31st is the deadline for HomePath eligible loans.

Fannie Mae announced the retirement of its HomePath program. As a reminder:

Purchase contracts must be dated on or before October 6, 2014 to be eligible for HomePath financing.

After October 6, 2014, Fannie Mae REO properties will continue to be accessible via www.homepath.com, but must be qualified using standard Fannie Mae guidelines, LTV, and documentation requirements.

Reminders:

- Use existing "HomePath" product codes only for true "HomePath" program eligible loans.
- December 31, 2014 is the last day CMG Financial will purchase qualified HomePath loans.
- As of December 31st, 2014 all the existing "HomePath" product codes and guidelines will be retired.
- Loans utilizing the newer "financing flexibilities" for Fannie Mae REO properties must utilize standard Fannie Mae product codes in conjunction with the appropriate Special Feature Code (SFC) 679:
 - Interested Party Contributions – LTV > 90%, allowable up to 6%
 - 75% Max LTV/CLTV/HVCLTV for borrowers buying a NOO HomePath property with 5-10 other financed properties and a 720 minimum qualifying FICO score

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

