

BULLETIN #2016-59

TO: Distribution

DATE: November 23, 2016

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- [Disaster List Updates: North Carolina](#)
- [6200 & 6600 Jumbo Series Updates](#)

DISASTER LIST UPDATES: NORTH CAROLINA

Summary: FEMA has added additional counties to the individual assistance list for North Carolina, in response to Hurricane Matthew. CMG is aligning with FEMA and applying the CMG Disaster Policy to the following additional counties:

North Carolina			
Anson County	Brunswick County	Carteret County	Chatham County
Halifax County	Hertford County	Northampton County	Perquimans County
Richmond County	Scotland County		

Effective Date: Immediately

6200 & 6600 JUMBO SERIES UPDATES

Summary: CMG is updating the guidelines for the 6200 & 6600 Series Jumbo products, to align with investor updates, as follows:

- Removed the requirement for investment property cash-out refinance proceeds can only be for business purposes. Investment property cash-out refinance proceeds may be used for any purpose. **Applies to 6600 series only. Effective: 12/1/2016.**
- Clarification added "maximum LTV/CLTV of 80%" for FTHB transactions located in CA, CT, NJ, NY with loan amounts over \$1,000,000 and up to \$1,500,000. **Applies to both 6200 & 6600 series. Effective: Immediately.**
- Added requirements if borrower is party to a lawsuit, documentation must be obtained to determine nonnegative impact to borrower's ability to repay, assets or collateral. **Applies to both 6200 & 6600 series. Effective: 12/1/2016.**
- Delayed Purchase Refinance. Clarification added "loan is treated as a rate and term refinance except for primary residence transactions in Texas" **Applies to both 6200 & 6600 series. Effective: Immediately.**
- Liabilities. Co-signed loans –added language to include "the most recent 12 months" for evidence of account paid by the primary obligor. **Applies to both 6200 & 6600 series. Effective: Immediately.**
- Condominiums. Added limited review option for attached condominiums. **Applies to 6600 series only. Effective: 12/1/2016.**
- Ineligible Properties. Added Model Home Leasebacks as ineligible property. **Applies to both 6200 & 6600 series. Effective: Immediately.**

- Refinance. Removed the requirement on rate and term refinance transactions for the borrower to have taken title to the subject property at least 30 days prior to the loan application. **Applies to both 6200 & 6600 series. Effective: 12/1/2016.**
- Regulatory Compliance - APR Accuracy. Added requirement for loan file to contain the index value used and the date of the index value for ARM transactions. **Applies to both 6200 & 6600 series. Effective: 12/1/2016.**

Action to Take: Note changes and clarifications.

Guideline Link: [6200 Series Jumbo](#)
[6600 Series Jumbo](#)

Effective Date: As noted above for each item.

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

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