

BULLETIN #2018-04

TO: Distribution

DATE: January 31, 2018

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Reminder: New GNMA FHA/VA Cash Out Seasoning Requirement

REMINDER: NEW GNMA FHA/VA CASH OUT SEASONING REQUIREMENTS

As previously announced, due to new Ginnie Mae pooling restrictions for Cash-Out Refinance Loans all FHA and VA cash out refinance transaction must meet additional seasoning requirement. Effective for CMG loans purchased beginning February 1, 2018, FHA and VA cash-out refinance loans are eligible if and only if:

- the borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and
- the first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan.

Specific impact by financing type–

- FHA Cash out refinances will need to meet the specific 210 day restriction in addition to FHA's current seasoning requirement. (FHA currently only specifies that properties with mortgages must have a minimum of 6 months of Mortgage Payments.)
- VA – All non-IRRRL refinances will be impacted. VA doesn't specify rate/term so this change impact all regular refinances.
- USDA – no impact as USDA only allows rate/term

Any FHA cash out refinance or VA Non-IRRRL Refinance not meeting the seasoning requirements must be closed/purchased by February 1, 2018.

Link to Ginnie Mae Announcement: [Click Here](#)

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

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