

BULLETIN # 2019-16

TO: Distribution

DATE: April 17, 2019

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Disaster Update
- All In One #801-MBI Availability- Up to 90% LTV

DISASTER UPDATES

Summary: FEMA has issued an end date for Nebraska Disaster 4420. FHA transactions in the impacted counties are now eligible to close with a clear disaster inspection.

However, please be aware that counties listed in Iowa Disaster Declaration 4421 for Individual Assistance are still subject to restrictions as there is no disaster end date yet. The restriction applies to FHA closings.

Iowa Designated Counties (Individual Assistance): Fremont, Harrison, Mills, Monona, Woodbury

Link:

<https://www.fema.gov/disaster/4421>
<https://www.fema.gov/disaster/4420>
[CMG Disaster Policy](#)

ALL IN ONE #801 AVAILIBILTY- UP TO 90% LTV!

Summary: CMG is releasing an enhancement to allow up to 90% LTV with mortgage insurance on the All In One #801 MBI product. Both borrower paid single premium and lender paid mortgage insurance options are available with Arch MI as the approved insurer. Loans from 80.01 to 90% LTV are eligible subject to the following parameters:

- 1-unit primary residences
- Purchase and rate/term refinance transactions (cash-out not permitted)
- Minimum credit score: 760
- Loan Amount / LTV / MI Coverage:
 - Maximum 90% LTV to \$625,000 – 12% coverage required.

- Maximum 85% LTV to \$850,000 – 6% coverage required.
- Approved MI Provider: Arch MI – AMG Coverage. Non-delegated submissions only.
- Single Premium MI Only: either borrower paid single premium or lender paid mortgage insurance (borrower paid monthly MI is not available)
- Maximum DTI: 40%
- Borrower down payment:
 - First 10% of down payment must be from borrower own funds. Gift and grant funds are eligible for the remainder of funds needed for closing.
- Rate/term refinances must pay off the 1st lien and 2nd lien
 - 2nd lien must have been used to purchase property, or be seasoned at least 12 months if not used to purchase the property
- Borrower may not own more than three financed properties
- Verbal VOE required within 10 days of the note
- Allow calculation of the mortgage payment as follows: 1-month LIBOR Index + Margin, by the Line of Credit amount, amortized over 30 years. This is subject to a 3.75% floor and a lifetime cap of 6% over the greater of the floor rate or the initial fully indexed rate. Borrower margin options are 3.25%, 3.5% and 3.75%.
- Allow 100% of retirement accounts for reserves
- Allow cash value life insurance for reserves
- Standard reserve requirement: 10% of the loan amount
- Allow underwriter discretion as to whether collection accounts and charge-offs on nonmortgage accounts have to be paid.
- MI Disclosures are required.
- All other applicable AMG underwriting requirements apply <https://mi.archcapgroup.com/Portals/1/Documents/amg/MCUS-B0457-AMGC-UWManual-091018-NR.pdf>
- The following loan characteristics are ineligible for LTVs > 80% - no exceptions permitted:
 - Asset depletion
 - Subordinate financing
 - Manufactured housing
 - Non-warrantable condos
 - Borrowers with a prior foreclosure; short sale; bankruptcy or deed in lieu within the past 7 years
 - Subject property listed within the last 6 months

BPMI Single Premium & LPMI – BPMI Quotes, LPMI Pricing, & Ordering MI:

- Mortgage Insurance Certification ordered by CMG Financial
- For Lender Paid Mortgage Insurance (LPMI) please refer to rate sheet for LPMI pricing

Effective Date: *Immediately*

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



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