

BULLETIN # 2019-20

TO: Distribution

DATE: May 15, 2019

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

### CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- VA Guidelines Updates
- Manufactured Homes MI Coverage Clarification
- Manufactured Home Lending Reminders
- 6800 Series Prime Jumbo LLPA Updates

### VA GUIDELINES UPDATES

**Summary:** As a reminder, new Chapter 4 requirements must be adhered to with all applications on and after May 23rd, but revised requirements may be applied prior to. CMG's VA guidelines are updated to align with updated guidance from the new Chapter 4 of the VA Lender's Handbook for the following items:

- Updated Rental Income to add additional guidance regarding multi-unit properties and boarder income.
- Added CMG guidance for projected income (previously not allowed).
- Spousal support or alimony may be treated as a reduction in income; however, child support is to be treated as a liability.
- Updated gift funds section with better defined eligibility & documentation requirements.
- Clarified Section A-4 to specify that any prior approval loan requires a manual underwrite. Clarified for NCQ IRRRLs that the Veteran's employer or source of income to pay the mortgage debt must be listed on the 1003.
- In addition, clarified reduction in term is not an acceptable alternative for IRRRL rate reduction requirements. (not a change)
- Additional un-highlighted formatting and clarifications that do not change credit or underwriting standards.

**Effective Date:** VA Lender's Handbook revised chapters must be adhered to 90 days after the change notice. Chapter 4 was updated with change notice #25 on February 22nd and the updates must be applied as of May 23rd. CMG VA Matrix & Guidelines will be updated.

**Links:**

[https://www.benefits.va.gov/warms/pam26\\_7.asp](https://www.benefits.va.gov/warms/pam26_7.asp)

[https://www.benefits.va.gov/WARMS/docs/admin26/m26-07/Transmittal\\_Ch4.pdf](https://www.benefits.va.gov/WARMS/docs/admin26/m26-07/Transmittal_Ch4.pdf)

### MANUFACTURED HOMES MI COVERAGE CLARIFICATION

**Summary:** CMG conventional conforming guidelines will be updated to specify MI coverage requirements specific to manufactured homes. For manufactured homes, mortgage insurance coverage does not vary by term; however, for HomeReady loans with LTVs >90% the lower HomeReady standard coverage applies. See below chart for a summary:

Manufactured Homes – Conventional Conforming Fannie Mae Coverage Requirements				
Transaction Type	LTV Range			
	80.01-85%	85.01 – 90%	90.01 – 95%	>95%
Fixed Rate, ARM, any term	12%	25%	30%	n/a
HomeReady	12%	25%	25%	n/a

**Note:** When AUS findings are correctly run with manufactured home as the property type, the feedback certificate will reflect the applicable rate.

### MANUFACTURED HOME LENDING REMINDERS

**Summary:** As a reminder, to ensure CMG's security interest, manufactured homes require additional information to be included. It is unacceptable to put n/a on the security instrument for certification label numbers, dimensions, etc. Also, the lender required Affidavit of Affixture is required to be completed for all transactions and should be recorded with the security instrument. As with any other closing document, this document should not have blanks.

**Effective Date:** N/A. This is a reminder security instruments & documents that a borrower signs should not have blanks.

### 6800 SERIES PRIME JUMBO LLPA UPDATES

**Summary:** LLPA changes for the 6800 series have been updated on the CMG ratesheet.

Contact: [CMGLockdesk@cmgfi.com](mailto:CMGLockdesk@cmgfi.com)

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



© 2019 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. 4150025, 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