

BULLETIN #2015-15

TO: Distribution **DATE:** May 29, 2015
RE: Fannie Mae Update: Payoff of Revolving Debt at or Prior to Closing HARP Update: Extension of DU Refi Plus™ and Freddie Mac Relief Refinance MortgageSM – Open Access Expanded Disaster Zone in Texas **EFFECTIVE DATE:** Immediately

FANNIE MAE UPDATE - PAYOFF OF REVOLVING DEBT AT OR PRIOR TO CLOSING

Summary: In regards to payoff of revolving debt at or prior to closing, CMG Correspondent aligns with Fannie Mae's recently announced changes in Selling Guide Announcement SEL 2015-06 (released May 26th, 2015).

When a revolving account is being paid off at or prior to closing, the current policy requires lenders to document that the revolving account has also been closed in order to exclude the payment from the debt-to-income (DTI) ratio.

Going forward, for loans underwritten with either DU or LP, Sellers have the discretion upon review of the overall loan analysis to determine if a revolving debt is eligible to be paid off to qualify and if so, whether it must be closed prior to or at closing.

Effective Date

- This policy change is effective immediately. Desktop Underwriter® (DU®) currently issues a message stating that revolving debts must be included in the total expense payment if the account is not being closed. Lenders may disregard this message until it is removed in a DU release later in 2015.
- Guidelines will be updated to remove the requirement that the revolving account be closed.

Reference: <https://www.fanniemae.com/content/announcement/sel1506.pdf>

HARP UPDATE: EXTENSION OF DU REFI PLUS™ AND FREDDIE MAC RELIEF REFINANCE MORTGAGESM - OPEN ACCESS

Summary: DU Refi Plus and LP Open Access have been extended until December 2016.

TEXAS AND OKLAHOMA FLOOD DISASTER - EXPANDED IMPACTED COUNTIES

Due to severe flooding in Texas and Oklahoma, CMG is instating the [CMG Disaster Policy](#) for the below counties. The Governor of Texas has declared several counties in Texas a disaster area and Oklahoma counties are listed on the FEMA site.

TEXAS					
Archer	Bastrop	Blanco*	Bosque	Bowie*	Caldwell
Cass	Clay	Collin	Comal*	Cooke	Denton
Dewitt	Eastland*	Fannin	Gaines	Garza*	Grayson
Grimes	Guadalupe*	Harris*	Harrison	Hays	Henderson
Hidalgo	Hill	Hood	Houston	Jasper	Johnson
Kendall	Montague	Navarro	Newton	Nueces	Parker
Red River*	San Jacinto	Smith	Van Zandt	Walker	Wichita
Williamson*	Wilson	Wise	Zavala*		

*Counties noted with an asterisk are in addition to the zip codes that were updated 5/27/15 in CMG Bulletin 2015-14.

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Oklahoma		
Cleveland	Grady	Oklahoma

CMG Correspondent Lending will continue to monitor the situation and may add additional areas as they become affected.

Note: The designation of an area as a “disaster area” for the purpose of CMG’s Disaster Policy is made by CMG Corporate Credit and can be based on a federally or state declared disaster area (FEMA or state/federal agency), or through knowledge of a disaster as a result of news and media or personal contacts.

Links:

- Texas Proclamation: <http://gov.texas.gov/news/proclamation/20941>
- FEMA Disasters: www.fema.gov/disasters

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

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