

BULLETIN # 2019-23

TO: Distribution

DATE: May 29, 2019

RE: CMG Financial Correspondent Lending
Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- All In One Updates
- VA Now Requires COE to be Ordered Prior to Appraisal Request

ALL IN ONE UPDATES

Summary: Please see below for All In One updates and coming enhancements.

NEW AIO MARGINS COMING SOON!

The All In One Loan is pending another enhancement with the introduction of 3 additional margin options on the fully-adjustable term. This provides the opportunity for borrowers to secure margins below 3.250% and as low as 2.500% over the 1-month LIBOR.

**New margins include 3.000%, 2.750% and 2.500%.
Watch for pricing on the rate sheet**

Effective Date: *Pending but coming soon! Once available, the additional margins will be on the rate sheets.*

ALL IN ONE #801-WAB

The All In One #801 WAB guidelines are updated to reflect that gift funds are allowed towards the down payment of an investment property. 10% of the down payment must come from the borrower's own funds.

Effective Date: *This clarification is effective immediately*

ALL-IN-ONE

The All In One guidelines are updated to reflect the following in regard to reserves:

- Gift funds are an unacceptable source of reserves.
- Marketable securities or vested stocks are an acceptable source of reserves, as well as retirement accounts.
- Borrower must be able to liquidate funds used to meet the reserve requirement. Accounts that cannot be liquidated are not eligible to be used as reserves.

Effective Date: *The clarifications regarding reserves are effective immediately.*

VA NOW REQUIRES COE TO BE ORDERED PRIOR TO APPRAISAL REQUEST

Summary: VA no longer will allow appraisals to be requested through WebLGY prior to ordering a COE.

- The Department of Veterans Affairs (VA) no longer will allow appraisals to be requested through WebLGY prior to ordering a COE.
- In general, a COE is required for proof of eligibility. It is extremely important to ensure Veterans are eligible for the benefit before ordering the appraisal.
- **Action to Take:** As of the date of the Circular, all Lender Appraisal Processing Program (LAPP) and all Individual (IND) cases must have a COE in the "Active or Pending" status before the appraisal can be requested. On a case-by-case basis, Loan Guaranty Service, or the VA Regional Loan Center of jurisdiction can authorize a waiver to allow appraisals to be requested through the appraisal system (WebLGY).

Link: https://www.benefits.va.gov/homeloans/documents/circulars/26_19_12.pdf

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