

**BULLETIN #2017-22**

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**TO: Distribution**

**DATE: May 31, 2017**

**RE: CMG Financial Correspondent Lending Updates**

**EFFECTIVE: As noted below**

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**CMG FINANCIAL CORRESPONDENT LENDING UPDATES**

**Topics Covered in this Announcement:**

- Fannie Mae Updates

**FANNIE MAE UPDATES**

**Summary:**

- Debts Paid by Others
- Project Eligibility Review Waiver for Fannie Mae to Fannie Mae Limited Cash-Out Refinances
- Properties Listed for Sales in the Previous Six Months
- PERS Expiration Dates
- Truncated Asset Account Numbers

Please review each topic below for details and CMG application of the policy changes.

**DEBTS PAID BY OTHERS**

The requirements for excluding non-mortgage debts from the debt-to-income ratio are simplified. Non-mortgage debts include debt such as installment loans, student loans, and other monthly debts as defined in the Guide. If the lender obtains documentation that a non-mortgage debt has been satisfactorily paid by another party for the past 12 months, then the debt can be excluded from the debt-to-income ratio. This policy applies regardless of whether the other party is obligated on the debt. Note: This policy does not apply if the other party is an interested party to the subject transaction (such as the seller or realtor).

**Effective Date:** This flexibility is effective immediately. The DU message on omitted debts will require documentation to support the omission of the debt, but will not reference the documentation requirements specified above as DU is not able to identify if the debt was omitted as a result of this policy.

**PROJECT ELIGIBILITY REVIEW WAIVER FOR FANNIE MAE TO FANNIE MAE LIMITED CASHOUT REFINANCES**

Fannie Mae is waiving the project eligibility review for certain Fannie Mae-owned loans that are being refinanced as a limited cash-out refinance and the LTV is not > 80% (CLTV/HCLTV can be higher).

- Requires a copy of the [Fannie Mae Loan-Look up tool](#) confirming Fannie holds the loan
- Must confirm LTV is not > 80%
- Requires the master insurance, the declarations, and bylaws. No questionnaire or budget!

**Note:** The project is not eligible if it is a condo hotel or motel, houseboat project, or a timeshare or segmented ownership project.

Lender may submit to the CMG Project Standards Department (Condo Desk [condo@cmgfi.com](mailto:condo@cmgfi.com)) for eligibility review. The loan must be delivered with Project Type Code "V" and any applicable SFCs that apply.

**Effective Date:** This change is effective immediately. The DU message regarding project review requirements will be modified in a future release. Until that time, the DU project review message may be disregarded with review and approval from the CMG Project Standards Department.

**Who to Contact:** Questions may be sent to [condo@cmgfi.com](mailto:condo@cmgfi.com).

#### **PROPERTIES LISTED FOR SALE IN THE PREVIOUS SIX MONTHS**

The current policy on cash-out refinances has been updated to eliminate the additional eligibility restrictions that apply when a property has been listed for sale in the previous six months. CMG will allow properties that were listed for sale that have been taken off the market on or before the application date of the new mortgage loan.

**Effective Date:** The policy change is effective immediately. CMG does require that the property is taken off the market on or before the application date.

#### **PERS EXPIRATION DATES**

The Project Eligibility Review Service (PERS) is a review method lenders can use to submit new, newly converted, and established projects to Fannie Mae to determine eligibility. Currently, the final project approval expires no later than 18 months from the date of issuance. Now, at Fannie Mae discretion, Final Project Approvals for Streamlined PERS submissions will be issued for up to 24 months.

**Effective Date:** This policy change is effective immediately.

**TRUNCATED ASSET ACCOUNT NUMBERS** Truncated account numbers that display at least the last four digits of the borrower's asset account are now permitted. This change will help provide a greater degree of protection of borrowers' non-public information. Truncated or masked account numbers for bank and portfolio or investment accounts where at least the last four digits are displayed are permissible on the loan application, in DU, and on asset documentation, including verification reports obtained through the DU validation service.

**Effective Date:** This policy change is effective immediately.

**Link:** <https://www.fanniemae.com/content/announcement/sel1704.pdf>

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

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