

**BULLETIN #2016-24**

**TO: Distribution**

**DATE: June 8, 2016**

**RE: CMG Financial Correspondent Lending Updates**

**EFFECTIVE: As noted below**

**CMG FINANCIAL CORRESPONDENT LENDING UPDATES**

**Topics Covered in this Announcement:**

- Disaster List Update
- USDA: Refinance Program Eligibility
- Enhancement: Conventional Conforming (NON-HARP) Loans and HPML Eligibility

**DISASTER LIST UPDATE**

**Summary:** Areas in Texas are experiencing severe flooding. Corporate Credit is monitoring the FEMA website and the Governor's website and will be updating the CMG disaster list, as appropriate. At this time, [FEMA](#) has not issued a disaster declaration; however, the [Texas Governor](#) has formally declared disaster areas and CMG is designating the following counties as disaster areas:

Austin	Bandera	Bastrop	Brazoria	Brazos	Burleson	Coleman
Colorado	Erath	Fayette	Fort Bend	Grimes	Hidalgo	Hood
Jasper	Kleberg	Lee	Leon	Liberty	Lubbock	Montgomery
Palo Pinto	Parker	Polk	Robertson	San Jacinto	Tyler	Walker
Waller	Washington	Wharton				

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.

Note: After reviewing existing FEMA disaster declarations lists the following counties are now added to the CMG Disaster List per Texas disaster declaration 4266: Fayette, Liberty, Parker, San Jacinto. These are in addition to the counties previously added in April for that time period.

**Links:**

- FEMA Disasters: [www.fema.gov/disasters](http://www.fema.gov/disasters)
- FEMA Texas 4266: <http://www.fema.gov/disaster/4266>
- Disaster Proclamation issue for Texas Flooding: <http://gov.texas.gov/news/proclamation/22354>

**Effective Date:** Immediately

**USDA -REFINANCE PROGRAM ELIGIBILITY**

**Refinance Program Eligibility:** CMG does not currently participate in USDA's Streamline Refinance Program. On June 2, 2016, a final rule for 7 CFR Part 3555 and the revised technical handbook, HB-1-3555, went into effect. Part of that release is a "Streamlined-Assist" refinancing option. CMG does not

participate in the current nor new streamline refinance options. **CMG does permit USDA non-streamlined refinances.**

**Effective Date:** Immediately

### **CONVENTIONAL CONFORMING (NON-HARP) LOANS AND HPML ELIGIBILITY**

**Summary:** CMG will now purchase conventional conforming HPML loans meeting the below requirements:

- CMG requires an income analysis for any loan that is HPML/Rebuttable Presumption and the loan must meet residual income requirements to be eligible for purchase:
  - o Loans with \$1,000 or less in residual income are not allowed.
  - o Higher Priced/Rebuttable Presumption loans must reflect residual income of \$1,001 or more.
- Property flips not eligible (180 days).
- Full Appraisal required.
- Escrows required.
- Texas section 50(a)(6) loans not eligible.
- All refinance transactions must include a documented net tangible benefit to borrower (i.e. reduction in payment, in rate, in term, or if the borrower is going from an ARM to a Fixed rate).

**Important note:** CMG's Fannie Mae Refi-Plus (RP) and Freddie Mac Open Access (OA) HPML Rule has not changed. CMG will purchase RP and OA HPML loans, for details see [HPML and Rebuttable Presumption Policy](#)

**Effective Date:** Enhancement is effective immediately.

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

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