

BULLETIN # 2019-29

TO: Distribution

DATE: June 24, 2019

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Blue Water Navy Bill-Waiting for the President to Sign
- CMG Disaster List Updates

BLUE WATER NAVY BILL- WAITING FOR THE PRESIDENT TO SIGN

Summary: Congress has passed the Blue Water Navy Bill and it now goes to the President for signature. The principal focus of this legislation is to provide assistance to veterans who served offshore of the Republic of Vietnam during the Vietnam War and were exposed to an herbicide agent. As part of the legislation, it includes several provisions affecting the VA home loan program. The two most important provisions are:

- The legislation would remove the loan amount cap on VA loans. The loan amount would no longer be tied to the Freddie Mac limit. In other words, a veteran could use their entitlement to purchase a home without a downpayment or any cash investment regardless of the loan size.
- The legislation also changes guaranty fees slightly for certain veteran groups starting on January 1, 2020 including first-time and repeat users.
 - Starting January 1, 2020, both active duty servicemen and veterans will pay 2.30 percent funding fees for initial use. This change lowers the funding fee for reservists.
 - On subsequent use of their VA entitlement, there will be an increase of 30 bps in their funding fees to 3.60% for each of these groups.
 - The funding fees will revert back to the current fee structure in January 2022 unless additional legislation is enacted.

Effective Date: *The law states that the effective date of this provision will be loans guaranteed on or after January 1, 2020.*

Link (see p.8 of the bill for the VA home loan section): <https://www.congress.gov/116/bills/hr299/BILLS-116hr299enr.pdf>

DISASTER UPDATES

Summary: FEMA has declared individual assistance on multiple counties in Ohio and Oklahoma and has issued an end date for Oklahoma disaster 4438. The following counties have been added to the CMG Disaster List, and the Disaster Area Policy applies:

Ohio – Newly Declared Disaster DR-4447

Full list of Designated Counties (Individual Assistance) – FEMA End Date: 5/29/19
Auglaize, Darke, Greene, Hocking, Mercer, Miami, Montgomery, Muskingum, Perry, Pickaway

Oklahoma – End Date & New Counties for DR-4438

Full list of Designated Counties (Individual Assistance) – FEMA End Date: 6/9/2019

Alfalfa, Canadian, **Cherokee**, **Craig**, Creek, Delaware, **Garfield**, Kay, **Kingfisher**, **Le Flore**, Logan, Mayes, Muskogee, **Noble**, **Nowata**, Okmulgee, Osage, Ottawa, **Pawnee**, Payne, Pottawatomie, Rogers, Sequoyah, Tulsa, Wagoner, Washington, **Woods**

Oklahoma has added new counties as well. The full list of counties is above. Existing counties are in black, while newly added counties are in red.

Additionally, **Oklahoma Disaster 4438** now has an established FEMA End Date of 6/9/2019. FHA Transactions located in counties affected by Oklahoma Disaster 4438 are now eligible for re-inspections. As a reminder, the below have been added, and the Disaster Area Policy applies:

Link:

<http://www.fema.gov/>

<https://www.fema.gov/disaster/4447>

<https://www.fema.gov/disaster/4438>

[Disaster Policy](#)

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