

---

**TO: Distribution**

**DATE: June 24, 2020**

**RE: CMG Financial Correspondent Lending  
Updates 2020-38**

**EFFECTIVE: As noted below**

---

### **CMG FINANCIAL CORRESPONDENT LENDING UPDATES**

#### **Topics Covered in this Announcement:**

- GSE'S (Fannie/Freddie) Extend Application Dates for COVID-19 Temporary Flexibilities
- Home Possible Mortgage 2020 AMI Limits Announced
- AIO Loan- Changes to Rate Lock Policy and Closing Procedures

#### **GSE'S (FANNIE/FREDDIE) EXTEND APPLICATION DATES FOR COVID-19 TEMPORARY FLEXIBILITIES**

**Summary:** The GSEs extended the application dates eligible for the COVID-19 temporary flexibilities to July 31, 2020.

**Effective Date:** *Immediately*

#### **HOME POSSIBLE MORTGAGE 2020 AMI LIMITS ANNOUNCED**

**Summary:** Loan Product Advisor® and the [Home Possible Income & Property Eligibility tool](#) will be updated on July 12, 2020 with the new 2020 area median income (AMI) limits recently issued by the Federal Housing Finance Agency (FHFA).

Approximately 87% of counties will experience AMI increases. This means you'll be able to offer Home Possible® mortgages to more borrowers. As a reminder, the borrower's annual qualifying income must not exceed 80% of AMI for the location of the mortgaged premises for the loan to be eligible.

If the mortgaged premises is located in a county where the AMI has declined and you submitted the loan to Loan Product Advisor before July 12, Loan Product Advisor will apply the higher 2019 AMI if the last submission of that loan prior to July 12 was an income-eligible Home Possible mortgage submission. This means the loan will remain eligible if there are no changes in the borrower's circumstance and the property condition.

In addition, if you submit an eligible Home Possible loan prior to July 12 and the AMI for the mortgage premise increases, Loan Product Advisor will apply the higher 2020 limit in determining income eligibility.

**Effective Date:** *July 12, 2020 as noted above*

#### **AIO LOAN- CHANGES TO RATE LOCK POLICY AND CLOSING PROCEDURES**

**Summary:** Because the All In One Loan (801-series programs) is structured uniquely, effective July 1st, 2020, the following changes in policy and procedure will apply:

- **Rate Lock Timing:** Rate locks are only permitted once underwriting has cleared all PTD conditions except the QA Call. The QA call performed by the Correspondent Lender will be the last PTD condition cleared. Once the QA call is completed, a Cleared-To-Close (CTC) can be issued and documents can be drawn.
- **Rate Lock Expiration:** Rate locks will expire on the last day of each month. This ensures accuracy of the index value, fully indexed rate (APR) value and lifetime-cap rate value, disclosed in the closing documents. Loans will require a relock if the rate lock has expired. If the loan's index value has increased, underwriting must review the file to recalculate the DTI and ensure the borrower meets program allowances.
- **QA Call Procedure:** The borrower's phone number is required; however, the QA Call Form no longer needs to be signed by the borrower or Loan Officer.
- **Loan Document Expiration:** Loans must fund (Funded date) during the same month loan documents were drawn and signed. Loan documents must be signed the same month they were drawn. This ensures accuracy of the loan's index value, fully-indexed rate (APR) value, lifetime-cap rate value, first payment date and first rate change date, disclosed in the closing documents. A redraw and relock will be required otherwise. If the loan's index value has increased, underwriting must review the file to recalculate the DTI and ensure the borrower meets program allowances prior to redraw and closing.

**Effective Date:** July 1st, 2020

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



© 2020 CMG Financial, All Rights Reserved. CMG Financial is a registered trade name of CMG Mortgage, Inc., NMLS #1820 in most, but not all states. CMG Mortgage, Inc. is an equal opportunity lender, licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act No. 4150025, California Finance Lenders Law No. 6053674. For information about our company, please visit us at [www.cmqfi.com](http://www.cmqfi.com). To verify our complete list of state licenses, please visit [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org). For more information on State licenses, please visit <http://www.cmqfi.com/corporate/licensing>.

[Unsubscribe here.](#) if you don't wish to receive these messages in the future.