

BULLETIN #2017-32

TO: Distribution

DATE: August 2, 2017

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- [Jumbo Lock Policy](#)
- [Conventional Conforming Manufactured Homes- Maximum Age](#)
- [DU Loans- Employment Offers or Contracts Enhancement](#)
- [Fannie Mae HomeReady Income Limits 2017](#)

JUMBO LOCK POLICY

Summary: CMG is excited to announce the Correspondent Jumbo Lock Policy for Series 6200, 6400, 6600, 6700, 7200 Non-QM and 7600 Non-QM Series. The following updates are effective for loans locked on or after August 7, 2017.

- **6200, 6600, 6700, 7200 Non-QM and 7600 Non-QM Series**
 - [Lock Extensions](#)

Number of Days	Cost
5	.100
10	.200
15	.300
20	.400
30	.600

- [Roll Downs](#)
 - A Roll Down can be exercised if the current base price of the locked loan is equal to or better than current pricing at a .250% better in rate.
- [Program Change](#)
 - A Loan Program Change can be requested for a currently active, locked loan, the loan will be Re-Locked worse case according to original lock terms pricing unless the new program is in the same program tier.
- **6400 Series**
 - [Lock Extensions](#)

Number of Days	Cost
7	.100

- Roll Downs
 - Not available under this program series
- Program Changes
 - A Loan Program change can be requested for a currently active, locked loan, the loan will be Re-Locked worse case according to the original lock terms pricing unless the new program is in the same program tier.

Effective Date: *Effective on all jumbo loans locked on or after August 7, 2017.*

Link: The Jumbo Lock Policy will be updated on August 7, 2017 and can be found in the CMG Correspondent Resource page <http://www.cmgfi.com/correspondent/resources>

CONVENTIONAL CONFORMING MANUFACTURED HOMES- MAXIMUM AGE

Summary: Guidelines are updated to reflect that the maximum age for a manufactured home is 20 years. This aligns CMG's maximum manufactured home age for FHA, VA, and conventional conforming manufactured homes. (Previously conventional conforming guidelines stated maximum age as year built 1995.)

Any manufactured homes older than 20 years old are considered on an exception basis only.

Effective Date: August 2, 2017.

DU LOANS- EMPLOYMENT OFFERS OR CONTRACTS ENHANCEMENT

Summary: Fannie Mae is enhancing DU messaging this weekend and has announced changes for borrowers with Employment Offers or Contracts. Currently, for DU loans, borrowers who are changing or starting new jobs can be approved with a signed offer letter or contract documenting the anticipated income, but the loan cannot fund without a paystub. CMG is updating this policy to provide an additional option that will allow the loan to close prior to the borrower starting the new employment. As with LP loans, transactions involving a new job for the borrower that will begin after closing borrower may be eligible subject to all of the following requirements:

- The subject transaction is for the purchase of a 1-unit primary residence;
- borrower must have a minimum 640 qualifying credit score;
- maximum DTI is 50%;
- the Borrower' employment offer must be non-contingent and the non- contingent offer letter must be retained in the loan file;
- the Borrower's written acceptance of the employment offer must be retained in the loan file;
- the Expected/Projected income cannot be derived from a family-owned business;
- the Borrower must have cash reserves to support the mortgage payment and any other obligations **plus** during the employment gap and additional one month' reserves of PITIA;
- the time frame between the Note Date and the start of employment (the employment gap) must not exceed 60 days (Income must be guaranteed to begin within 60 Days of mortgage closing);
- the income is calculated in accordance with the standards for the type of income being received;
- a post-closing copy of the borrower' first paystub / proof of receipt of income must be obtained and verified to support income used to qualify and retained in the loan file.

Additionally:

- In all cases the borrower must only be qualified using only fixed base income.
- All DU loans must use Special Feature Code 707. Note that DU Version 10.1 will issue a message related to these requirements when the years and months on the current job are "0" or blank.

Effective Date: *Immediately*

Link to Fannie Announcement: <https://www.fanniemae.com/content/announcement/sel1706.pdf>

FANNIE MAE HOMEREDY INCOME LIMITS 2017

Summary: On July 8, the 2017 HomeReady income limits were implemented in DU. DU will apply the 2017 limits to new DU loan casefiles created on or after July 8, 2017. Loan casefiles created prior to July 8 will continue to use the 2016 limits.

Note that the AMI data in DU and on our website may differ from the median income estimates posted on the U.S.Department of Housing and Urban Development's website.

Effective Date: As noted above

Action to Take: Do not rely solely on the income eligibility tool, AUS findings must be run for final acceptance of income eligibility.

Link to Notice: <https://www.fanniemae.com/content/announcement/ntce062017.pdf>

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

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