

BULLETIN #2016-33

TO: Distribution

DATE: August 3, 2016

**RE: CMG FINANCIAL CORRESPONDENT
LENDING UPDATES**

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- [Fannie Mae HomeReady Updates](#)
- [Freddie Mac Updates to Loan Product Advisor Cash-to-Close Feature](#)
- [Reminder: 6600 Series Jumbo Release Monday, August 1st](#)

FANNIE MAE HOMEReady UPDATES

Summary: CMG aligns with the below updates to the Fannie Mae HomeReady program:

- Allowing the occupant borrower on a HomeReady loan to own other residential properties;
- removing the requirement for homeownership education for limited cash-out refinance transactions;
- eliminating the requirement for landlord education for HomeReady loans secured by two-, three, or four-unit properties (homeownership education is still required);
- accepting homeownership education from Community Seconds® or Down Payment Assistance Program (DPAP) providers as long as the providers are HUD-approved counseling agencies and the first mortgage loan involves a Community Second or DPAP.

In addition, Fannie Mae is providing an additional option for borrowers to meet the homeownership education requirement. A borrower can obtain customized one-on-one assistance from a HUD-approved nonprofit counseling agency. Such assistance will assess the borrower's current financial situation, address credit challenges, develop a workable budget, help determine whether it is the appropriate time to become a homeowner and educate the borrower on the home buying process and responsibilities of homeownership. The assistance must meet HUD standards and cover the content detailed on the Certificate of Pre-purchase Housing Counseling (Fannie Mae Form 1017), which must be signed by the counseling recipient (the borrower) and the HUD counselor. By signing the form, the HUD counselor certifies that the assistance provided meets HUD standards and our requirements. The lender must retain the completed Form 1017 in the mortgage loan file.

Link to Fannie Mae Bulletin: <https://www.fanniemae.com/content/announcement/sel1606.pdf>

Effective Date: *Immediately*

FREDDIE MAC UPDATES TO LOAN PRODUCT ADVISOR CASH-TO-CLOSE FEATURE

Summary: Since the deployment of Loan Product AdvisorSM on July 11, 2016, Freddie Mac updated their cash-to-close calculations for Total Funds to be Verified. Review the updated *Understanding Loan Product Advisor's Determination of Total Funds to Be Verified* [job aid](#) to make sure you're up-to-date on these changes, how they impact your results and how you should manage certain situations.

Link: Freddie Mac's [job aid](#)

REMINDER: 6600 SERIES JUMBO RELEASED MONDAY, AUGUST 1, 2016

Summary: As a reminder of last week's announcement, the 6600 Series Jumbo program was released on Monday, August 1, 2016. This program is a QM Jumbo program that is similar to the 6200 Series Jumbo but with certain parameters expanded/enhanced. Refer to last week's announcement for highlights or review guidelines (see link below).

Link: [6600 Series Jumbo](#)

Effective Date: *August 1, 2016*

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

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