
TO: Distribution

DATE: September 02, 2020

**RE: CMG Financial Correspondent Lending
Updates 2020-57**

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Hurricane Laura- Update to Disaster Area
- Fannie Mae & Freddie Mac Extend COVID-19 Related Flexibilities
- Post Disaster Programs for Impacted Borrowers
- VA IRRRL Recoupment

HURRICANE LAURA- Update to Disaster Area

Summary: CMG's Disaster Area Policy is in effect for an additional three counties that are identified by FEMA for individual assistance. The three counties added are highlighted in yellow below.

- **Louisiana:** <https://www.fema.gov/disaster/4559>
 - **CMG's Disaster Policy applies:** Acadia, Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, Ouachita, Vermilion, Vernon
 - The above counties are on the FEMA disaster list for individual assistance. As FEMA has issued an End Date (8/27) re-inspections are permitted for all financing types, including FHA.

Loan closings may proceed if there is no known impact. It is critical that CMG protect the interests of all parties by verifying the safety and soundness of potentially impacted properties.

Links: [CMG's Disaster Area Policy](#)
<https://www.fema.gov/disaster/4559>

FANNIE MAE AND FREDDIE MAC EXTEND COVID-19 RELATED FLEXIBILITIES

Summary: Fannie Mae and Freddie Mac have announced the extension of the COVID-19 related temporary flexibilities for through September 30, 2020 (previously 8/31).

Links: <https://singlefamily.fanniemae.com/media/22321/display>
<https://guide.freddiemac.com/app/guide/bulletin/2020-35>

POST DISASTER PROGRAMS FOR IMPACTED BORROWERS

Summary: As a reminder, CMG allows FHA's Section 203(h) mortgages. Section 203(h) of the National Housing Act authorizes FHA to insure Mortgages to victims of a Presidentially-Declared Major Disaster Area (PDMDA) for the purchase or reconstruction of a Single Family Property. It allows FHA to insure mortgages made by qualified Mortgagees to victims of a Presidentially-Declared Major Disaster Area (PDMDA) who have lost their housing, or whose housing was damaged and are in the process of rebuilding or buying another house.

Section 203(h) loans must be processed and underwritten in accordance with the regulations and requirements applicable to the 203(b) program except when specifically addressed by the guideline addendum. Guideline addendums are posted for channels –click below for links to addendums:

[CMG's 203\(h\) Disaster Relief FHA Guideline Addendum](#)

Utilize standard CMG product codes for 203(b) transactions. FHA Connection will need to reflect 203(h) program eligibility when combining 203(b) with 203(h). Override may need to be requested from lock desk for LTVs exceeding FHA's standard 96.5%.

VA IRRRL RECOUPMENT

Summary: Based on additional clarification received from VA, with the issuance of Change 1 Notice and associated removal of Exhibit B as they pertain to the original Circular 26-19-22, the proposed P&I for the recoupment calculation must be based on the actual P&I and cannot exclude the financed funding fee or any other fee from the calculation.

Link: https://www.benefits.va.gov/HOMELOANS/documents/circulars/26_19_22.pdf

Effective Date: *Immediately*

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



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