CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- FHA Condominium Changes – Industry Call
- Freddie Mac LPA Cashout Maximum LTV Reduced From 85% to 80%
- All In One #801-MBI-FIX – 740 Minimum FICO Now Permitted on 5 Year Fixed > 80% LTV
- All In One #801-Prime Now Available

FHA CONDOMINIUM CHANGES- INDUSTRY CALL

Summary: FHA subject matter experts will host an industry stakeholder briefing call to assist mortgagees and other interested parties in FHA transactions better understand the FHA’s condominium project approval requirements. Call details follow:

- Title: SF Condominium Project Approval Final Rule and Handbook Changes
  - Date: Tuesday, September 10, 2019
  - Time: 2:00 PM to 3:00 PM (Eastern)
  - Dial-in: (800) 230-1092
  - Target Audience: Mortgagees, Servicers, and all other interested stakeholders in FHA transactions

Links:

Effective Date: Condo rules change October 15, 2019. Industry call on September 10 (see above for details).

FREDDIE MAC LPA CASHOUT MAXIMUM LTV REDUCED FROM 85% TO 80%

Summary: Currently, CMG guidelines allow for Freddie Mac LPA cash out >80% to 85% subject to the following items that must be manually checked: 1 unit property only, primary residence only, fixed rate only, nonmanufactured homes, no financed MI, minimum 740 fico, standard loan amounts only (no high balance), nostreamlined project reviews, and the associated LPA purchase restriction messaging can be disregarded.

Change: Effective as noted below, cash-out refinance mortgages with LTV/TLTV/HTLTV ratios above 80% will no longer be eligible.

Effective Date: The following cutoff dates apply to conventional conforming cash out refi 80.01 – 85%:

- Last day to lock: September 30, 2019
- Last day to purchase: October 31, 2019
ALL IN ONE #801-MBI-FIX- 740 MINIMUM FICO NOW PERMITTED ON 5 YEARS FIXED >80% LTV

Summary: A 740 minimum credit score (previously 760) is now eligible when the LTV exceeds 80% on the five year fixed product (#801-MBI-FIX). Guidelines will be updated and reposted September 3 with the following update:

Effective Date: Immediately

ALL IN ONE #801 PRIME NOW AVAILABLE

Summary: CMG is announcing the release of the All In One #801-Prime product. This new All in One product will be serviced by Northpoint Bank and now available for Correspondent. See below for highlights.
Effective Date: Guidelines, product and pricing available immediately.

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