BULLETIN # 2018-34

TO: Distribution
DATE: September 18 2018
RE: CMG Financial Correspondent Lending Updates
EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Disaster Updates
- Jumbo Series and Non-QM Guideline Updates

DISASTER UPDATES

Summary: CMG is temporarily suspending all purchasing for properties located in the following states as a result of the impact of Hurricane Florence:

- North Carolina (entire state)
- South Carolina (entire state)

In addition, closings and fundings remain suspended for the following areas in Virginia:

- Norfolk, Virginia Beach, Hampton and the Eastern Shore, including parts of the Northern Neck and Middle Peninsula.

We will re-assess the situation after the impact of Hurricane Florence is more clearly defined. Should it be determined that the property is located in a storm impacted area, CMG disaster policy requirements will apply and FHA loans will not be eligible for closing/purchase/insuring until an end date is established.

Effective Date: Immediately

Links:
- North Carolina: https://www.fema.gov/disaster/4393
- At this time- Individual Assistance: Beaufort, Brunswick, Carteret, Craven, New Hanover, Onslow, Pamlico, Pender
- South Carolina: https://www.fema.gov/disaster/4394
- Individual Assistance: pending
- CMG Disater Policy

JUMBO SERIES AND NON-QM GUIDELINE UPDATES

Summary: The 6200, 6600, 6700, 7200, and 7600 Series Jumbo programs are updated as follows:

6200, 6600, 7200, and 7600 Series – Derogatory Credit:

- Added clarification regarding credit events and what is considered one credit event or multiple credit events

7200 & 7600 Series – Departure Residence to be Sold:

- Clarification added for Option 1 for Departure Residence to be Sold – Not Under Contract
  - Appraisal for departure residence must be within 6 months of the subject transaction’s Note date

Asset Requirements:

- Asset verification by a Fannie Mae approved asset validation provider is allowed in lieu of 2 months statements provided by the borrower. The asset verification must provide 60 days of account activity and include all items normally indicated on bank statements.
• Added language for stock accounts to have margin account and/or pledged asset balances deducted from available assets.

• Added reserve requirement for investment transactions with loan amounts between $1,000,001 - $1,500,000.

Retirement Income:

• Added requirement for 2 years tax transcripts for retirement income
6200, 6600, 7200, and 7600 Series – Properties with ≤ 40 Acres:

• Added clarification in determining the 5-10% reduction to LTV when the subject property is over 20 acres

Effective Date: Immediately

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