

**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 Disaster 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.***



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