
TO: Distribution

DATE: November 4, 2020

**RE: CMG Financial Correspondent Lending
Updates 2020-77**

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- FHA Desktop Appraisal No Longer Eligible
- Disaster List Updates- California
- USDA Extends COVID-19 Related Temporary Exceptions
- All In One # 801 MBI Maximum Acreage
- All In One #801 WAB New York Minimum Line Amount

FHA DESKTOP APPRAISALS NO LONGER ELIGIBLE

Summary: With Mortgagee Letter 2020-37 (and as announced in Info #20-79) FHA extends only certain COVID-related flexibilities. The Desktop-Only appraisal scope of work option originally announced in ML 2020-05 and last extended in ML 2020-28, is not being extended and will expire on October 31, 2020. It has been determined that with the effectiveness of the Exterior-Only option, provided in ML 2020-05, for certain purchase transactions without any Appraiser visual observation of the property, is no longer necessary. See ML 2020-37 and original MLs for completed details:

- Extension of Re-verification of Employment guidance and Exterior Only Appraisals
 - The extension of re-verification of employment guidance in ML 2020- 05; and,
 - An updated Appraisal scope of work inspection option providing for Exterior-Only Appraisal, which limits face-to-face contact for certain transactions affected by COVID-19.
- Expiration of Desktop-Only Appraisals on October 31st

Effective Date:

- The extension of re-verification of employment guidance in ML 2020-05 is effective immediately for cases closed on or before December 31, 2020.
- The updated appraisal guidance scope of work in the ML is effective on November 1, 2020 and is applicable to appraisals with an effective date on or before December 31, 2020.
- Desktop appraisals must be completed by tomorrow (October 31st) to be eligible. (The last time the desktop appraisal flexibility was extended was via ML 2020-08 and the ML stated: "The extension of appraisal

guidance in ML 2020-05 is effective immediately for appraisals with an effective date on or before October 31, 2020.”)

Links:

[Mortgagee Letter 2020-37](#)

https://www.hud.gov/sites/dfiles/SFH/documents/SFH_FHA_INFO_20-79.pdf

View Mortgagee Letters 2020-37, 2020-05, 2020-08 and all other archived Mortgagee Letters at:

https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee

DISASTER LIST UPDATES - CALIFORNIA

Summary: In addition to the Hurricane Zeta updates released in Bulletin 2020-76 the CMG’s Disaster list applies the additional counties identified in California by FEMA for individual assistance:

DR 4569:

• **Incident Period: September 4, 2020 and continuing.** Declaration Date: October 16, 2020

California Counties Impacted: Napa, Shasta, Sonoma

Effective Date: *Immediately, the CMG Disaster Policy applies to the three CA counties noted above.*

Links: [DR4569](#), [Amendment 1](#)

USDA EXTENDS COVID-19 RELATED TEMPORARY EXCEPTIONS

Summary: The temporary exceptions originally issued on March 27, 2020, [CMG Bulletin 2020-17](#) pertaining to appraisals, repair inspections, and income verifications for the Single Family Housing Guaranteed Loan Program (SFHGLP) due to the COVID-19 pandemic have been extended until December 31, 2020 and apply to the requirements in the program handbook HB-1-3555 for new loans.

ALL IN ONE #801 MBI MAXIMUM ACREAGE

Summary: Based on investor feedback, the All In One #801 MBI guidelines are updated to reflect the following in regards to acreage:

- 10 acres maximum
- Properties with greater than 10 acres require investor pre-approval.

Impacts product codes: 801-MBI / 801-MBI-5FIX

Effective date: *Immediately, guidelines are updated and reposted*

ALL IN ONE #801 WAB NEW YORK MINIMUM LINE AMOUNT

Summary: Due to compliance and regulations, All In One loans in New York are restricted to a minimum credit line amount of \$250,000.

Effective Date: *Immediately, guidelines are updated and reposted.*

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



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