

Agency Plus

No Fill = Clarification, Yellow = More Restrictive or Neutral, Green = Less Restrictive

| | Previous | New |
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| Age of Documentation | Credit documents must be no more than 4 months old on the note date | Credit documents must be no more than 120 days old on the note date |
| Appraisal | 2 full appraisals required when loan amount > \$1MM | 1 full appraisal required when loan amount > \$1MM and <= \$1.5 MM and LTV <= 75% . If LTV > 75%, 2 full appraisals required. If loan amount > \$1.5MM regardless of LTV, 2 full appraisals required. |
| | If CU or ARR/CDA does not support appraised value within tolerance, field review is required within 5% tolerance. If outside of tolerance, 2nd appraisal is required. | If CU or ARR/CDA does not support appraised value within tolerance, second appraisal is required (i.e. removing field review requirement and moving straight to 2nd appraisal). The lesser of the two appraised values are used for LTV purposes. |
| | The subject property in a refinance transaction must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. The borrower must confirm their intent to occupy the subject property (for principle residence transactions). | The subject property in a refinance transaction must not be currently listed for sale. It must be taken off the market on or before the note date of the new mortgage loan. The borrower must confirm their intent to occupy the subject property (for principle residence transactions). |
| | Unpermitted additions require cost to cure whereby percentage of cost to cure reduces max LTV, otherwise, home must be converted back to original use | Eliminated requirement (follow Fannie Mae guidelines) |
| Assets | Funds in the borrower's business account(s) ≤ 50% of account balance may be counted toward down payment, closing costs, and reserves so long as borrower(s) and/or non-borrowing spouse/domestic partner or family members have a cumulative 100% ownership interest in the business (e.g., Sole Proprietor, S Corp, Corporation, LLC). A non-borrowing spouse/domestic partner or family members who are the only other co-owners of the business are acceptable and must provide a letter allowing the borrower to access the funds in the business account. | Business funds are an acceptable source for down payment, closing costs, and reserves for self-employed borrowers. Ownership percentage and authority to access funds must be documented via CPA Letter, Operating Agreement or equivalent. The balance of the business assets must be multiplied by the ownership percentage to determine the owner's portion of the business assets allowed for the transaction. Large deposits must be sourced to validate the funds are eligible. |
| | No reference | Any foreign assets deposited into a U.S. financial institution must be sourced and seasoned for a minimum of 60 days at loan application |
| AUS Requirements | All loans must be run through DU. For loans ≤ \$453,100 (CCM currently shows as \$424,100) that receive an Approve recommendation (e.g., Approve/Eligible, Approve/Ineligible), Desktop Underwriter has determined that the borrower's credit reputation is acceptable. Follow DU credit and income documentation. For loan amounts > \$453,100 and/or for any other DU recommendation the underwriter must thoroughly evaluate the borrower's credit reputation in accordance with the requirements set forth in this section and document accordingly. | Same requirement but adjusted loan amount threshold to \$484,350 to align with 2019 Conforming loan limits |
| | No current reference | For all Approve/Eligible recommendations, the DU cert must be manually corrected to show as Approve/Ineligible or the reason for the ineligibility must be documented. |
| Cash-Out Refinance | There is no ownership seasoning requirement for a cash-out refinance when at least one borrower on the new loan is an original purchaser (CCM allows with no restrictions). | At least one borrower must have been on title for 6 months or have made payments on the existing mortgage for 6 months to be eligible for a cash-out refinance (i.e. 6 month seasoning required). |
| Credit | Max 1x30x12 for mortgage and/or rental rating. No requirement for rent or mortgage history but if borrower has rent or mortgage history, it must meet 1x30x12 requirement. | Non First-Time Homebuyers who cannot document a verifiable payment history for the most recent consecutive 12 months (i.e. no pmt history or short pmt history) are eligible subject to a minimum 680 FICO requirement. |
| | Mortgages that do not appear on credit must be supported by an institutional VOM. Private party VOM requires 12 months cancelled checks or bank statements. | Mortgages that do not appear on credit must be supported by an institutional VOM. Private party VOM requires 12 months cancelled checks or bank statements. Mortgages not rated on credit must be max 0x30 in months 1-6 and max of 1x30 in months 7-12. |
| | If the borrower is refinancing a loan with a prior modification/restructure then credit requirement is increased to 0x30 in the last 12 months for all mortgages. | Requirement eliminated , fall back on standard 1x30x12 requirement. |
| | Tradeline requirements apply to all borrowers. | Tradeline requirements apply only to borrowers who contribute income or assets in loan qualification . |
| | For borrowers who currently own all property free and clear there is no mortgage history requirement. | No Change but rather a clarification that the 1x30x12 requirement still applies (e.g. all properties free and clear now but a mortgage was recently closed in the last 12 months whereby the mortgage rating exceeds 1x30x12) |
| | Disputed Account protocol as follows: • Zero balance and no derogatory information – no action required • Zero balance and derogatory information - remove and pull new credit report • A positive balance and no derogatory information– remove and pull new credit report • A positive balance and derogatory information– remove and pull new credit report | Disputed Account Protocol as follows: • If the disputed account(s) has no derogatory information – the underwriter must evaluate for acceptability and address their decision on the 1008. • If the disputed account(s) has derogatory information – the dispute must be removed and a new credit report must be pulled. |
| Judgments and Tax Liens on title must be paid. | Judgments and Tax Liens on title must be paid. If there is evidence in the file of judgments and/or tax liens and they are not on title, cumulative balances exceeding \$5000 must be paid. Pay down of cumulative balances to \$5000 or below is allowed. | |
| Disaster Area | Property re-inspection required when FEMA makes available individual and public assistance | Property re-inspection required when FEMA makes available individual assistance (i.e. eliminated requirement when only public assistance is made available). |

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| | For loans with DTI > 43% underwriter may require additional reserves based on borrower's residual income after total debt payments. Refer to VA residual income requirements. See VA Residual Income Calculation and VA Residual Income Tables. Maximum increase of six (6) months reserves. Additional reserves are not required if the residual income exceeds the table amount by over 20%. | Same requirements but VA Residual Income Tables have been replaced with the following requirements: 1) DTI <= 50% = \$1500 + \$150 for each additional family member, 2) DTI > 50% = \$2000 + \$150 for each additional family member |
| Eligibility Buckets (LTV/CLTV/HCLTV, FICO, Loan Amount) | Current buckets | New buckets created in 5% LTV increments inclusive of a 640 FICO bucket |
| Escrows/Impounds | Escrow Holdbacks allowed for weather related repairs on purchase transactions only | Escrow Holdbacks not allowed |
| | Impounds for taxes and/or insurance are not required | Impounds for flood insurance are required when the subject property is located in a flood zone. Impounds for taxes and hazard insurance are still not required. |
| First Time Home Buyer | Rental history not required. However, if the borrower has rental history, it must meet credit requirements. | No prior rent history is required |
| Gift Funds/Gift of Equity | Gift funds are not allowed for reserves | Gift funds are allowed for reserves provided the subject property is a primary residence or second home |
| Income (Non-Rental Related) | Alimony obligation is treated as a debt for DTI purposes | Lenders have the option to reduce the borrower's qualifying income by the amount of the alimony obligation in lieu of including it as a monthly payment in the DTI. |
| | Boarder income allowed for primary residence and second home provided certain conditions are met | Boarder income allowed for primary residence only provided certain conditions are met |
| | No current reference | Added verification/documentation requirements for Boarder Income |
| | All assets must be in a U.S. financial institution—No Foreign Assets | Any foreign assets deposited into a U.S. financial institution must be sourced and seasoned for a minimum of 60 days at loan application |
| | VA residual income tables are used to determine residual income minimums for compensating factor purposes | Residual income may be cited as a compensating factor when the following minimum residual income requirements are met: 1) DTI <= 50% = \$1500 + \$150 for each additional family member, 2) DTI > 50% = \$2000 + \$150 for each additional family member |
| | Job gaps of 60 days or less may be accommodated with adequate explanation | All gaps in employment are subject to review and underwriter discretion. Gaps greater than 90 days must be documented and explained |
| | Employment Offers or Contracts follow FNMA guidelines which allow for income documentation (other than the employment offer or contract) to be obtained post-closing | A borrower must be currently working prior to loan closing as evidenced by a current paystub or written verification of employment (WVOE). The income documentation must include sufficient information to support the income used to qualify. |
| Self-Employment Income: Existence of borrower's business must be verified within 120 calendar days of the note date | Self-Employment Income: Existence of borrower's business must be verified within 30 calendar days of the note date | |
| Income (Rental Related) | Rental income calculations follow Fannie Mae guidelines. | Rental income calculations follow Freddie Mac guidelines (FHLMC Form 92). |
| | An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires is allowed. | An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires is allowed with evidence of 3 months' receipt of the rental income amount. |
| | No reference | When a lease is used for rental income, the rent amount must be discounted by a 25% vacancy factor unless the borrower can document the most recent 3 months' receipt of rental income. |
| | No current reference | If the borrower is converting a current principal residence to an investment property, a lease agreement and evidence of security deposit and/or first months' rent may be used to qualify rental income. |
| | Vacation Rentals (e.g. VRBO, Airbnb, HomeAway) are ineligible | Short-term Rentals are permitted. Use Schedule E to calculate rental income. If rental income is not reported on Schedule E because the property was acquired subsequent to the current tax filing year, proof of receipt for the most recent 12 months is required. If there are months where the property was vacant, use zero for that month in the average. **Rebranded vacation rentals as short-term rentals and removed reference to VRBO, Airbnb, HomeAway. Also requiring 12 mos proof of receipt when Schedule E does not verify. |
| Multiple Financed Properties | Borrowers are limited to eight (8) loans with Impac not to exceed \$2,000,000. If borrower only has one (1) loan with Impac, including the subject property, that loan may not exceed \$2,000,000 | Borrowers are limited to eight (8) loans with Impac not to exceed \$3,000,000 . If borrower only has one (1) loan with Impac, including the subject property, that loan may not exceed \$3,000,000 . Also removed following requirements: 1) Borrower may have Impac financing on maximum 10% of properties in a PUD or condo project, 2) Impac financing limited to overall concentration of 20% in any Florida condo project |
| Occupancy | Second Homes – 1-2 unit only <ul style="list-style-type: none"> For 2-unit second homes, one unit must be available for the borrower's exclusive use, no rental or time sharing arrangements in the borrower's exclusive unit Must be suitable for year round use Must be located in a recognized vacation area typical for second home properties (e.g., beach, ski, golf, resort) Must be a reasonable distance from borrower's current owner-occupied property | Second Homes – 1-2 unit only <ul style="list-style-type: none"> For 2-unit second homes, one unit must be available for the borrower's exclusive use, no rental or time sharing arrangements in the borrower's exclusive unit Must be suitable for year round use Should typically be located in a recognized vacation area typical for second home properties (e.g., beach, ski, golf, resort) Must be a reasonable distance from borrower's current owner-occupied property Must be occupied by the borrower for some portion of the year |
| | Limited Review for attached investment property unit in a condo project allowed up to 70% LTV/CLTV/HCLTV (non-Florida) and ineligible for Florida condos | Limited Review for attached investment property unit in a condo project allowed up to 75% LTV/CLTV/HCLTV (non-Florida) and up to 70/75/75% LTV/CLTV/HCLTV for Florida condos (i.e. aligns with current Fannie Mae guidelines) |

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| Property Eligibility | Detached condos and 2-4 unit condos eligible for Limited Review | Detached condos and 2-4 unit condos eligible for Project Waiver provided the project is not a condo hotel or motel, houseboat project, or a timeshare or segmented ownership project |
| | Impac financing is limited to maximum overall concentration of 20% in any Florida condominium project. This limitation is per project and not per borrower. | Removed restriction |
| | New or newly converted condo projects in Florida are limited to 60% LTV/CLTV/HCLTV. | Removed restriction |
| | Acreage > 20 acres, agricultural zoning, log homes, mixed use and properties subject to oil and/or gas leases show as Ineligible but potentially eligible on a case by case basis | Acreage > 20 acres, agricultural zoning, log homes, mixed use and properties subject to oil and/or gas leases show as Unique Properties which may be eligible on a case by case basis. Appraisal must provide similar comparables and address marketability concerns. Additional restrictions may apply (e.g. LTV max of 80%). |
| Rate/Term Refinance | No reference to maximum cash out on a rate/term refinance (i.e. follow Fannie Mae guidelines - lesser of \$2000 or 2% of the loan amount) | Maximum cash-out may not exceed the greater of 1% of the loan amount or \$2000 (i.e. follow Freddie Mac's guidelines). |
| Reserves | For refinance transactions where the loan amounts ≤ \$679,650, required reserves may be waived when all borrowers meet all of the following: 1) 0x30x12 VOM/VOR, 2) payment on new loan is decreasing, and 3) the borrower(s) must not have any history of bankruptcy, foreclosure, short sale, or deed-in-lieu in order to waive reserves | For rate/term refinance transactions (removed loan amount restriction), required reserves may be waived when all borrowers meet all of the following: 1) 0x30x12 VOM/VOR (must be consecutive, no short/missing payment history allowed), 2) minimum 680 FICO, and 3) the borrower(s) must not have any history of bankruptcy, foreclosure, short sale, or deed-in-lieu in order to waive reserves |
| | No reference | Stock options are an ineligible source of reserves unless they are liquidated |
| | Number of months in required reserves are based on the subject property PITIA. However, there is no reference to how the P&I of the PITIA is calculated - particularly when the loan is an ARM. | Clarity provided that P&I for reserves calculation purposes follows the same methodology as P&I for DTI/DSCR calculation purposes. P&I qualifies at the note rate for fixed rate loans. For ARM loans, P&I qualifies at the higher of the note rate or the fully indexed rate for all loan programs except for NQM Investor. NQM Investor qualifies at the note rate. |
| | Reserves for financed properties with a recent 12 month paid-as-agreed history may be waived except when the subject property loan amount is > \$679,650 | Reserves for financed properties with a recent 12 month paid-as-agreed history may be waived except when the subject property loan amount is > \$1,000,000 |
| Trusts | No current call out | Only trusts with natural person members are allowed |
| | No current call out for Privacy trusts, Nominee Trusts or Blind Trusts | Privacy Trusts will be considered on a case-by-case basis. Nominee and Blind Trusts are ineligible. |
| Vesting | No current call out | Ineligible Vesting: 1) Trusts or LLCs whose members include other LLCs, corporations, partnerships, or trusts, 2) Trusts or LLCs where a Power of Attorney is used, 3) 501(c)(3) organizations, 4) LLCs, 5) Corporations and 6) Partnerships |