

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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18W-032

Attention: Business Development Managers & Mortgage Brokers

April 2, 2018

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: Multiple UW Guideline Additions and Changes – March

What's New?

The following Underwriting Guideline changes have been implemented within the UW Manuals/Product Matrices (Note: these changes may not have been announced in a bulletin):

(Click on the link listed under "Manual Affected" below to find the topic listed in **YELLOW** within the Table of Contents.)

Topic	Manual Affected	Detail
General Cond Eligibility Requirements	CONV	Section 8.3.1, correction to note.
Commercial Use	CONV	Section 8.3.6, correction to verbiage.
Property Inspection Waivers (PIW)	CONV	Section 6.12.4.1, for ineligible transaction, investment transactions when using subject rents for qualification.
Rate/Term	CONV	Section 1.2.1, updated section to reflect current guidelines.
Second Home and Investment Properties	CONV	Section 4.13.3, section removed in its entirety: no longer an MWF overlay.
Cash-out	CONV	Section 1.2.2, time held in an LLC that is controlled or majority owned by the borrower(s) will be counted towards the borrower's six-month ownership requirement.
Student Loans	Jumbo R	Section 4.5.9, section updated in its entirety to reflect current guidelines.
General Documentation Requirements	Jumbo R	Section 4.3.3, W-2 transcript requirements, two years of W-2 transcripts allowed in lieu of tax transcripts when borrower's income is limited to strictly W-2 wages.
Partnership/S-Corporate	Jumbo R	Section 4.3.3.5, included requirements for self-employment documentation.
Income/Employment	Jumbo R	Section 4.3, new section added 4.3.1, title "Long Term Disability from a Private Policy or Employer Sponsored Policy."

Retirement Income	Jumbo R	Section 4.3.24, disbursement must have been set up at least six months prior to Note date. See manual for complete details.
Footnote	Conforming High Bal	Matrix, investment property is not allowed for the CA5LJ program. Investment property is allowed on the CA7LJ and CA10LJ programs.
Footnote	Conforming High Bal	Matrix, removed footnote number 3 to reflect updated guidelines pertaining to Min FICO score.
AUS	GSFA	Matrix, several sections updated to reflect current guidelines.
MWF Overlays	GSFA	Overview, fees charges on the 2 nd loan cannot exceed 1% of the 2 nd loan amount (recording fees and transfer taxes are not included in the 1% max).
Non-Borrower Household Income	HomeReady	Section 6.6, section removed to reflect Fannie Mae guidelines.
Non-Borrower Household Income	HomeReady	Matrix, section removed in its entirety to reflect Fannie Mae guidelines.

Refer to Underwriting Guidelines for complete details.