

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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18W-083

Attention: Business Development Managers & Mortgage Brokers September 10, 2018

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

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

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
Kiddie Condo	CONV	Add a new Section 1.1.2: Kiddie Condo: When a parent is purchasing a home for a child that is attending college and has no usable income, the transaction will be treated as an "owner occupied" purchase transaction. The child is required to go on the loan as the owner occupant, with the parents as non-occupying co borrowers, providing the income and assets for qualifying. File needs to contain documentation showing the child is currently enrolled and attending college
Voluntary Temporary Leave of Absence	CONV	Add a new Section 6.7.29 Voluntary Temporary Leave of Absence: When a borrower chooses to take a temporary voluntary leave of absence and is not paid for the leave of absence, the most conservative approach will be used in calculating the income. The time off will be used in the average (when applicable) when calculating income. If there is sufficient documentation to determine stability of income, then the time off will be deducted from the income average when calculating income. Please note current income should be consistent with past years.
Multiple Financed Property Policy for Borrowers with 7 – 10 Properties	CONV	Updated Section 5.4.3 Requirements for Borrower with 7 - 10 Financed Properties. Added a new sub-section for Freddie Mac requirements:

		<ul style="list-style-type: none"> • Receive a Risk Class of Accept • FICO Score of 720 • Reserves of eight months on each additional second home and/or 1 - 4 unit investment financed properties is required.
Multiple Financed Property Policy for Borrowers with 1 – 6 Properties	<u>CONV</u>	Updated Section 5.4.1 Multiple Financed Property Policy Borrowers with 1 - 6 (1 - 4 units) financed properties including the subject property, conforming conventional guides apply for both Fannie Mae and Freddie Mac.
Tax Transcripts	<u>CONV</u>	Updated Section 6.6.5 Tax Transcripts. Remove current verbiage in its entirety, and replace with the following: When using only W-2 income to qualify the borrower, W-2 transcripts are not required. This does not include #1099 income, transcripts are still required. An executed IRS 4506-T is required for all borrowers at closing.

Refer to Underwriting Guidelines for complete details.