

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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19W-009

Attention: Business Development Managers & Mortgage Brokers

February 1, 2019

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

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

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 prior 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
Rate/Term Refi: Cross Collateralized	Conventional	Updated Section 1.2.1 Rate/Term Refi: Paying off a mortgage on any property that has been cross collateralized will result in the transaction being a cash out refinance.
Single Entity Ownership in a Project	Conventional	<p>Updated Section 8.3.4. Single Entity Ownership in a Project</p> <p>Properties in a project where a single entity (the same individual, investor group, partnership or corporation) owns more than the following total units in the project, then the project is ineligible for financing:</p> <p>Fannie Mae</p> <ul style="list-style-type: none"> • Projects with 5 - 20 units = 2% • Projects with 21+ units = 20% <p>Freddie Mac</p> <ul style="list-style-type: none"> • Project with 2 - 4 units = 1 unit • Project with 5 - 20 units = 2 units • Project with 21+ units = 25%
SBA Loan	Conventional	<p>Added new Section 6.10.5 - SBA Loan</p> <ul style="list-style-type: none"> • Monthly payment must be included in the DTI
Alimony Payments	Jumbo R	<p>Updated Section 4.5.1 Alimony Payments</p> <p>Alimony payments may be deducted from income rather than included as a liability in the DTI for divorces finalized prior to January 1, 2019. For borrowers with a divorce</p>

		finalized on or after January 1, 2019, the alimony payment must be treated as a liability.
Existing HELOC Payment Calculations	MWF Jumbo 2	Updated Section 3.7.9 Existing HELOC Payment Calculations for Non Wells Fargo HELOCs. See guides for complete details

Refer to Underwriting Guidelines for complete details.