

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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[Bolt Training](#)

[Wholesale Website](#)

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19W-030

Attention: Business Development Managers & Mortgage Brokers

April 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 – 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 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
Housing Payment Requirements	Conventional	Updated Section 6.4.9 Housing Payment Requirements to align with FNMA and FHLMC Requirements. See Guidelines for full details.
Commission Income	Conventional	Updated Section 6.7.6 Commission Income Commission income is acceptable if there is a documented 2 year consecutive history of receipt and must be likely to continue for the next 3 years. <ul style="list-style-type: none"> • Use the average of most recent 2 years if the trend is consistent or moderately increasing. • Use the average of most recent 1 year if the trend is moderately decreasing.
Business Expenses	Conventional	Updated Section 6.6.1.7 Business Expenses For a borrower who is qualified using base pay, bonus, overtime, or commission income less than 25% of the borrower's annual employment income: <ul style="list-style-type: none"> • Union dues and other voluntary deductions identified on the borrower's paystub do not need to be deducted from the borrower's income or treated as a liability. • The Guide now clearly states that tax returns are not required to document these sources of income.
Manufactured Home Guidelines	HomeReady	Updated Manufactured Home Guidelines <ul style="list-style-type: none"> • Gifts are acceptable • Removed 2 month reserve requirement

Unreimbursed Employee Expenses	MWF Jumbo A	Removed Section 4.10.19 Unreimbursed Employee Expenses.
Revolving Debt	MWF Jumbo 2	<p>Updated Section 3.7.5 Revolving Debt If the credit bureau does not reflect a payment on a current reporting liability, payment should be calculated as follows:</p> <ul style="list-style-type: none"> • Revolving: The greater of \$10.00 or 5% of outstanding balance. If the actual monthly payment is documented by a letter from the creditor or a current monthly statement, the actual payment may be used for qualifying. • HELOC: Full principal and interest payments are used for all mortgages, included HELOCs on other real estate held by the borrower. Refer to the table in HELOC section for methods of calculating HELOC payments

Refer to Underwriting Guidelines for complete details.