

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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19W-064

Attention: AEs, Business Development Managers & Mortgage Brokers August 1, 2019

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

Included in this Bulletin: **Monthly Bulletin Digest – July 2019**

Below is a recap of the Bulletins that were released last month:

(Complete bulletins are located on the MWF Internet page under resources or by clicking on the [Wholesale Bulletin](#) link here)

Topic	Bulletin Number	Detail
Monthly Bulletin Digest	19W-055	
Multiple Underwriting Guideline Updates and Clarifications	19W-056	
Introducing HomeOwnership Today (HOT) Program	19W-057	<p>Great news!! Mountain West® is excited to announce the introduction of the GSFA HomeOwnership Today (HOT) program, effective July 15, 2019.</p> <p>Through GSFA, borrowers can now enjoy the benefits of having a low-rate conventional 1st trust deed mortgage with down payment assistance (in the form of a 2nd trust deed), as well as a grant, for a combined assistance up to 7.0%.</p> <p><u>Program Highlights</u></p> <ul style="list-style-type: none"> • Freddie MAC HFA Advantage, 30 year fixed rate term • 3.5% Second (non-forgivable lien) that also comes with grant (forgiven at closing - no lien) • DPA second has deferred payments and 0% interest. Loan is due at maturity, sale, transfer, or property no longer owner-occupied • Grant options: (forgiven at closing - no lien): <ul style="list-style-type: none"> • 0.50% to 3.50%. .5%, 1.0%, 1.5%, 2.0%, 2.5%, 3.0% or 3.5% of the 1st mortgage loan amount - (interest rate varies with % of assistance). • Extra \$2,500 or \$1,500 for incomes < 50% or < 80% AMI, respectively.

		<ul style="list-style-type: none"> • Income limits determined by county. • 45% max DTI • 97%/105% max LTV/CLTV • 640 min FICO • \$484,350 max loan amount • Primary residence only • Purchase or Rate & Term Refinance • 1 unit. SFR, Condo, PUD • Not restricted to FTHBs - may own one other property at closing • Non-occupant borrowers are allowed. • Non-occupant co-signers are not allowed • Homebuyer education through CreditSmart <p>Must be run through LPA and receive an Accept - no manual underwriting</p> <p>The pre-recorded HOT webinar is available 24/7 at: https://register.gotowebinar.com/recording/300657456043810312 (label GSFA HOT Webinar)</p> <p>For complete details, please see the GSFA HomeOwnership Today (HOT) Program Matrix and Overview.</p>
VA Funding Fee Guidance	19W-058	<p>Per Circular 26-19-17, VA announced revisions to their requirements. For all VA IRRRL's effective immediately, a copy of the Certificate of Eligibility (COE) is required.</p> <p>Also, if the borrower is exempt from the funding fee, the exemption status must be reflected on the COE.</p> <p><i>See Bulletin for complete details.</i></p>
FHA 4000-1 Handbook Updates	19W-059	<p>The Federal Housing Administration (FHA) published the quarterly update to its Single Family Housing Policy Handbook 4000.1 (SF Handbook).</p> <p><u>Change in Timing of Inspections in Presidentially Declared Major Disaster Areas (PDMDAs)</u></p> <p>FHA has changed its policy to accelerate the timing of inspections in PDMDAs. FHA now permits the inspection to be dated 14 days from the Incident Period start date (in addition to “after the Incident Period”). In the past, HUD policy required inspections to be signed after the Incident Period or a waiver was issued. This change may be implemented immediately.</p> <p>HUD added that “if the effective date of the appraisal is on or after the date required above for an inspection, a separate inspection report is not necessary.” The new guidance also confirms what was in an FAQ that the FEMA trigger is “individual assistance” in a PDMDA.</p> <p>“All Properties with pending Mortgages or endorsements in areas under a Presidentially Declared Major Disaster Areas (PDMDA) designated for individual assistance must have a damage</p>

		<p>inspection report that identifies and quantifies any dwelling damage. The damage inspection report must be completed by an FHA Roster Appraiser even if the inspection shows no damage to the Property, and the report must be dated after the Incident Period (as defined by FEMA) or 14 Days from the Incident Period start date, whichever is earlier. If the effective date of the appraisal is on or after the date required above for an inspection, a separate damage inspection report is not necessary."</p> <p><u>Other Handbook Changes</u> <i>See Bulletin for complete details.</i></p> <p>Effective Date of Changes</p> <ul style="list-style-type: none"> • HUD notes that these changes/clarifications may be implemented immediately but must be implemented for mortgages with case numbers assigned on or after September 9th. • To the extent that changes are incorporating previously published Mortgagee Letters, you should follow the guidance in the applicable mortgagee letter.
REVISED Fannie Mae DU DO Release Notes July 2019	19W-060	<p>During the weekend of July 20th, 2019, Fannie Mae implemented several updates to Desktop Underwriter Version 10.3.</p> <p><i>See Bulletin for complete details.</i></p>
FHA Required Documentation for DPA Programs	19W-061	<p>Although there have been extensions granted to HUD ML 2019-06, lenders may still be required to ensure that the Borrower's Minimum Required Investment (MRI) comes from a permissible source and that the down payment provider meets certain documentation requirements. Once this Mortgagee Letter (ML) is in force, the following documentation must be provided for any FHA loan where the down payment assistance (DPA) funds are covering all or part of the MRI, and are being provided by a Governmental Entity:</p> <ul style="list-style-type: none"> • Jurisdiction Opinion Letter: A legal opinion signed and dated within two years of closing, stating that the attorney has reviewed their DPA program and that the Governmental Entity is considered authorized to operate within the jurisdiction in which the Property is located, or the Governmental Entity is a Federal Home Loan Bank. • Acceptable Source of Funds Letter from Offering Agency: A signed letter from the Governmental Entity establishing that the funds provided towards the Borrower's MRI were funds legally belonging to the Governmental Entity and were provided in the jurisdiction in which the Property is located. <p><i>See Bulletin for complete details.</i></p>
FreddieMac Selling Guide Updates Aug 2019	19W-062	<p>Effective on all transactions not funded by August 1, 2019, Freddie Mac will implement several changes.</p> <p><i>See Bulletin for complete details.</i></p>

Introduction MWF Jumbo RR Program	19W-063	<p>Great news! Mountain West Financial, Inc. will begin offering the MWF Jumbo RR program effective 08/01/2019. This program is available as a 30 year fixed option.</p> <p>Program Highlights</p> <p>The primary use for this program is for borrowers that have experienced multiple credit events and reduced seasoning of derogatory credit events, such as:</p> <ul style="list-style-type: none"> • 2 years for bankruptcy, foreclosure, short sale or deed-in-lieu • 1 year for modification or notice of default • Primary Occupancy • Eligible transaction types are Purchase, Rate and Term, and Cash-out • Eligible properties include 1-4 Units, SFRs, PUDs, FNMA Approved and Non-Warrantable Condos • Max LTV up to 90% with no MI • Minimum FICO Score as low as 600 • Max Cash-out up to \$500,000 • Max Loan Amount up to \$2,000,000 • FTHB Max Loan Amount up to \$1,500,000 <p>For complete details, please see the MWF jumbo RR Product Matrix.</p>
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Refer to individual Bulletins for complete details.