

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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19W-074

Attention: AEs, Business Development Managers & Mortgage Brokers September 4, 2019

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

Included in this Bulletin: Monthly Bulletin Digest – August 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-064	
Multiple Underwriting Guideline Updates and Clarifications	19W-065	
Freddie Mac HFA - Non-Occupant Co-Borrowers	19W-066	Please be advised that Freddie Mac has verified that all borrowers must occupy the mortgaged premises as their primary residence on the HFA Advantage programs. This includes the GSFA HOT and Platinum programs, which are underwritten in LPA as a HFA Advantage mortgage. MWF program matrices have been updated to indicate the GSFA programs do not allow non-occupant co-borrowers.
FHA Cash Out LTV Reduction	19W-067	<p>FHA Issues Policy Guidance Reducing the Maximum Loan-To-Value and Combined Loan-To-Value Percentages on Cash-Out Refinance Mortgages</p> <p>Today, the Federal Housing Administration (FHA) published Mortgagee Letter (ML) 2019-11, "Maximum Loan-to-Value and Combined Loan-to-Value Percentages for Cash-out Refinance Mortgages," which announces the reduction of its current maximum loan-to-value (LTV) and combined loan-to-value (CLTV) percentages for cash-out refinance mortgages from 85 percent to 80 percent. The cash-out refinance guidance in today's ML is effective for mortgages with case numbers assigned on or after September 1, 2019.</p> <p>The new guidance puts FHA in alignment with Government Sponsored Enterprises' (GSFA) policy regarding maximum</p>

		<p>LTV/CLTV percentages on cash-out refinances.</p> <p>This policy guidance coincides with other policy changes issued today by Ginnie Mae. Read today's Press Release from the Department of Housing and Urban Development (HUD) that addresses the changes at both FHA and Ginnie Mae.</p>
MWF Jumbo 2 Cash Out Refinance Changes	19W-068	<p>Effective with applications submitted on or after August 1, 2019, a 5% reduction in maximum LTVs for cash-out refinance transactions under certain circumstances.</p> <p>Borrowers with FICO scores less than 760 and a subject property located in the following California counties are subject to the new LTV guidelines:</p> <ul style="list-style-type: none"> • Santa Clara • San Benito • Marin • Sonoma
RESCINDED USDA Revised Area Loan Limits	19W-069	<p>Effective today, the area loan limits have been revised to reflect the updated guidance in Handbook-1-3550, Chapter 5, Paragraph 5.6A (which follows the final rule that was published in the Federal Register on June 21, 2019).</p> <p>The area loan limits are available here.</p>
Changes to FHA and VA Cash-Out Refinance Maximum LTV	19W-070	<p>Recent announcements by FHA and Ginnie Mae will result in changes to Mountain West Financial, Inc. (MWF) guidelines for FHA and VA loans. Please see below for full details of the changes.</p> <p><u>FHA</u> Effective with case numbers assigned on or after September 1, 2019, FHA is reducing the maximum LTV for cash-out transactions from 85% to 80%. All FHA cash-out transactions with an LTV >80% must have a case number assigned prior to September 1, 2019.</p> <p><u>VA</u> Currently, MWF allows VA refinances up to 100% LTV. In order to align with new pooling restrictions put in place by Ginnie Mae, MWF will limit VA non-IRRRL refinances to 90% LTV effective with loans locked on or after September 1, 2019. All VA non-IRRRL refinance transactions with an LTV >90% must be locked prior to September 1, 2019, must fund no later than September 16, 2019, and must have a first payment due date no later than November 1, 2019.</p>
MGIC DTI Overlay Removal	19W-071	<p>Effective with mortgage insurance applications on or after Tuesday, Aug. 13, 2019, MGIC will resume insuring loans that have a representative credit score of less than 700 and a DTI exceeding 45%.</p> <p><i>Note: This change applies to loans with a valid DU® Approve or Loan Product Advisor® Accept response.</i></p>

<p>Wholesale Bulletin 19W-072 Introducing MWF Non-QM NS Program</p>	<p>19W-072</p>	<p>Great news! Mountain West Financial, Inc. is excited to announce the introduction of a new program designed to qualify borrowers based on bank statements. This program will be available on August 26, 2019.</p> <p><u>Program Highlights</u></p> <ul style="list-style-type: none"> • 30 Year Fixed Product • Purchase, Rate/Term, or Cash Out • Primary Residence, Second Home, or Investment Property • Qualify borrowers on either 12 or 24 months bank statements • 1-4 Units, SFR, PUD, Condo • Max Loan Amount up to \$3,000,000 • LTV up to 85% with no MI • FICO as low as 620 • DTI up to 50% <p>For complete details, please see the Non-QM MWF NS Smarsell Product Matrix.</p>
<p>FHA Condo Project Approval Changes</p>	<p>19W-072</p>	<p>Effective 8/14/2019, FHA announced several revisions to the Single Family Policy Handbook (Handbook 4000.1) regarding Condominiums, including Single Unit Approval, and Condominium Project Approvals.</p> <p>See Bulletins for full details.</p>

Refer to individual Bulletins for complete details.