

WHOLESALE BULLETIN

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19W-076

Attention: AEs, Business Development Managers & Mortgage Brokers **September 5, 2019**

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

Included in this Bulletin: [DU Government Loans Release Notes](#)

During the weekend of October 19, 2019, Desktop Underwriter for government loans will be updated to support the Maximum Loan-to-Value and Combined Loan-to-Value Percentages for Cash Out Refinance Mortgages announced by FHA in Mortgagee Letter 2019-11.

Mortgagee Letter 2019-11 reduced the maximum allowable LTV and CLTV for cash out refinances effective September 1, 2019 from 85% to 80%. To support these changes, several impacted DU eligibility messages will be updated. These updates will apply to all FHA cash out refinance loan casefiles submitted or resubmitted on or after the weekend of October 19, 2019.

To ensure a smooth and speedy process, be sure that FHA cash out refinance transactions follow the LTV/CLTV changes noted above. During the period between FHA's effective date of September 1, 2019, and DU's update on the weekend of October 19, 2019, it is recommended that the LTV/CLTV is reviewed for accuracy prior to submission.

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