

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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21W-054

Attention: Valued Broker Partners

July 27, 2021

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

Included in this Bulletin: Changes – Freddie Mac and Fannie Mae Open End (30 Day) Accounts

FREDDIE MAC ONLY

Open End 30 Day Accounts (Non HELOC)

The full amount of the outstanding account balance must be included in the debt payment to income ratio, or verification that the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower for the subject transaction, and the source of funds must be an eligible source.

5% of the outstanding balance included in DTI **is no longer allowed** for qualifying.

FANNIE MAE ONLY

Open End 30 Day Accounts (Non HELOC)

Funds must be verified to cover the account balance on open end 30 day charge accounts that do not reflect a monthly payment on the credit report, or 30 day accounts that reflect a monthly payment that is identical to the account balance. Verified funds must be in addition to any funds required for closing costs and reserves.

Note: In the reserve required to be verified, DU will include the balance of the 30 day charge accounts on the loan application and the reserve amount will be shown on the DU Findings. However, for transactions that do not require the verification of reserves, the balance of 30 day charge account in the reserve amount required to be verified will be reduced by any cash out the borrower will receive through the transaction. If the borrower paid off the account balance prior to closing, proof of payment will be required in lieu of verifying funds to cover account balance.

If you have any questions, contact your local Account Executive, Production Coordinator, Regional Vice President, or Brian Daily, SVP Wholesale: Brian.Daily@mwfinc.com, 909-255-8332.

Author: Underwriting/mq