

What's New

A summary of recent and upcoming changes:

Updates	
VA Program Updates	<p>The VA Fixed/ARM Program Matrix has been updated with the following program enhancements:</p> <ul style="list-style-type: none"> • Introducing compensating factors to offset minimum FICO requirements • Removing overlay for properties located in Lava Zones 1 and 2
HomeReady Program Updates	<p>The HomeReady Program Matrix has been updated with the following program enhancements:</p> <ul style="list-style-type: none"> • Minimum credit score per LPA findings or MI guidelines if applicable • Hawaii Lava Zones 1 & 2 now eligible • Miscellaneous program clarifications and updates
Freddie Mac Program Updates	<p>The following matrices have been updated to reflect that Hawaii Lava Zones 1&2 are now eligible for Freddie Mac loans:</p> <ul style="list-style-type: none"> • Conforming and High Balance Fixed • Conforming and Super Conforming ARM LPA
Changes to FHA Risk Assessments	<p>On March 14, 2019 FHA issued Info 19-07 detailing the updates to take effect with FHA Case Numbers assigned on or after 3/18/19. This TOTAL Scorecard update will assess loans with higher-risk loan characteristics, particularly when multiple risk factors are present. The updates may result in more loans being referred by TOTAL Scorecard for a manual underwrite. When a loan receives a Refer recommendation all manual underwriting requirement(s) must be met.</p>
Removal of the FHA Inspector Roster	<p>On March 12, 2019 FHA issued Mortgagee Letter 19-04 which follows FHA Info18-27 announcing the elimination of the FHA Inspector Roster effective August 2, 2018. The Mortgagee Letter provides guidance on determining eligible inspectors for FHA mortgages.</p>
FHA Removal of the 10 Year Protection Requirement	<p>In Mortgagee Letter 19-05 FHA announced that effective with FHA Case Numbers assigned on or after March 14, 2019, FHA is removing the policy guidance that require borrowers to purchase 10-year protection plan (10-year warranty) on newly constructed homes.</p> <p>This policy update will be incorporated into a forthcoming update of the HUD Handbook 4000.1.</p>

<p>FHA Appraisal Changes</p>	<p>FHA announced Info #18-46 updates to FHA Connection (FHAC) and appraisal related functionality. Info #19-03 announced a new effective date for the following updates:</p> <p>Appraisal Transfers Effective for case numbers assigned on or after February 25, 2019, the appraisal can be electronically transferred when the case number is transferred.</p> <p>When the appraisal is transferred through FHAC, all electronic appraisals uploaded in FHAC for that case number will be visible to the new lender as PDFs. The Appraisal Transfer field will be required as of April 1, 2019.</p>
<p>Fannie Mae DU 10.3 Update</p>	<p>During the weekend of March 23, 2019, Fannie Mae will implement an update to Desktop Underwriter (DU) Version 10.3. The changes in this release will apply to DU Version 10.3 loan casefiles submitted or resubmitted on or after the weekend of March 23, 2019. Some of the notable updates are mentioned below.</p> <p>DU Validation Service Enhancements</p> <ul style="list-style-type: none"> • DU validation service messages for income and employment will be simplified from 41 messages to 11. <p>HomeReady Area Median Income Determination</p> <ul style="list-style-type: none"> • If DU is not able to standardize the address and the FIPS code is not provided, DU will use the lowest income limit for the state in which the property is located. <p>Disaster Message Change</p> <ul style="list-style-type: none"> • DU will issue a new message for properties located in disaster impacted areas that were also eligible for the appraisal waiver offer. <p>Updates to Align with the Selling Guide</p> <ul style="list-style-type: none"> • Form 1004MC is to be retired • Updates to HomeStyle Renovation • Removal of Form 2106 References • Reserves - eligibility guideline was added to ensure that cash-out refinance transactions for borrowers with a debt-to-income ratio exceeding 45% have at least six months of reserves disclosed on the loan application
<p>Freddie Mac Bulletin 2019-5</p>	<p>On March 6th Freddie Mac issued Bulletin 2019-5 announcing updates to several topics including documentation requirements for self-employed borrowers, revisions to the way alimony and maintenance payments are handled and RSU income documentation requirements</p>

