

# PRODUCT UPDATES

## FREDDIE MAC

### 3 NEW WAYS TO GET AN ACCEPT



**Tools & Technology**  
Use our new tips to create more homeownership opportunities.

Got a Caution loan? Don't abandon it. We've got new tips to help you optimize your Loan Product Advisor® (LPA™) experience and get closer to an Accept.

- Find opportunities to expand access to credit with our new ECO® dashboard.
- Identify additional affordable loans by taking advantage of the LPA feedback certificate.
- Remediate potential blockers for an Accept with updated Caution messaging.

CLICK HERE TO LEARN MORE: [Don't Miss a Homeownership Opportunity – Freddie Mac Single-Family](#)

### LARGE DEPOSITS – EFFECTIVE ON NOTE DATES ON AND AFTER 8/1/24 – ACCEPTABLE SOURCES:

- Borrower's Income
- Funds awarded to the borrower (ie: Disaster Relief Funds, Lottery winnings, Court-Awarded settlement) provided the source is not an interested party to the transaction.
- Funds otherwise defined as eligible asset types per guidelines

### SPECIAL PURPOSE CASH-OUT REFINANCE – EFFECTIVE IMMEDIATELY:

On refinance, where the owner of a property uses the proceeds of the refi to buy out the equity of a co-owner is eligible with a waiver of cash out LLPA.

- Loan must be identified as a Freddie Mac Special Purpose Cash-Out (SFC 203 must be applied).
- The loan must be underwritten in LPA.
- The standard cash-out refinance LTV, CLTV, and HCLTV ratios apply, refer to applicable product description.
- The loan amount is limited to amounts used to buy out the equity of the co-owner, which may include:
  - Paying off the first Mortgage, regardless of age
  - Paying off junior liens secured by the subject property
  - Paying related Closing Costs
- A secondary lien is not required to be satisfied provided Subordinate Financing guidelines and CLTV requirements are met.
- In addition, the following conditions must be met for the borrower and the co-owner receiving the proceeds:
  - Document they jointly owned the property for a minimum of 12 months prior to the initial loan application (parties who inherited an interest in the property are exempt from this requirement).
  - Provide evidence that they occupied the subject property as their Primary Residence (parties who inherited an interest in the property are exempt from this requirement).
  - Provide a written agreement, signed by all parties, stating the terms of the property transfer and the disposition of the proceeds from the refinancing transaction.
  - The Borrower who retains sole ownership of the property may not receive any of the proceeds from the refinance transaction.

# PRODUCT UPDATES

## FHA

### EFFECTIVE Immediately:

HUD recently updated the [4000.1](#) to revise the requirements pertaining to documenting the transfer of gift funds. With this update, HUD has added additional flexibilities. The handbook was updated, as follows (underlined text indicates the change):

- The Mortgagee must verify and document the transfer of gifts from the donor to the borrower, in accordance with the requirements below:
  - For gifts that will be verified prior to settlement, the Mortgagee must obtain one of the following:
    - The donor's bank statement showing the withdrawal and evidence of the deposit into the borrower's account,
    - A copy of the donor's canceled check and evidence of deposit into the borrower's account,
    - A copy of the donor's withdrawal receipt and evidence of deposit into the borrower's account, or
    - Evidence of the electronic transfer of funds from the donor's account to the borrower's account.
  - For gifts that will be verified at settlement, the Mortgagee must obtain one of the following, evidencing payment to the settlement agent:
    - Evidence of electronic transfer of funds from the donor's account,
    - Bank certified check,
    - Cashier's check, or
    - Other official bank
  - For gifts of land, the Mortgagee must obtain:
    - Proof of ownership by the donor, and
    - Evidence of the transfer of title to the borrower.

# PRODUCT UPDATES

## PRIME 2<sup>nd</sup> LIENS

- Expanded income doc types **across all occupancies:**
  - 1099, WVOE, and P&L**
- Higher max combined lien balances: **up to \$4MM** based on CLTV
- Increased loan amount to **\$600k**
- SFR up to max 10 acres
- Rural primary to 80 CLTV, max 10 acres; eligible across all doc types
- Seasoning: less than 6 months seasoning since previous refinance on either 1<sup>st</sup> or 2<sup>nd</sup>, max 80 CLTV

Matrix			Owner Occupied CLTV				2nd Home CLTV				Non Owner CLTV							
Loan Amount	Max DTI %	FICO	Full Doc	Bank Statement	1099 WVOE	P&L Only	Full Doc	Bank Statement	1099 WVOE	P&L Only	Full Doc	Bank Statement	1099 WVOE	P&L Only				
75,000 to 350,000	50	720	90	85	85	80	80	75	75	70	80	75	75	70				
		700	90	80	80	75	80	70	70	65	80	70	70	65				
		680	85	75	75	70	75	65	65	60	75	65	65	60				
		660	80	70	70	65	70	60	60	55	70	60	60	55				
		660	85	80	80	75	75	70	70	65	80	70	70	65				
350,001 to 450,000	50	720	85	75	75	70	75	65	60	60	75	65	65	60				
		700	85	75	75	70	75	65	60	60	75	65	65	60				
		680	80	70	70	65	70	60	60	55	70	60	60	55				
		660	75	65	65	60	65	55	55	50	65	55	55	50				
		660	80	75	75	70	70	65	65	60	75	65	65	60				
450,001 to 600,000	50	720	80	70	70	65	70	60	60	55	70	60	60	55				
		700	80	70	70	65	70	60	60	55	70	60	60	55				
		680	75	65	65	60	65	55	55	50	65	55	55	50				
		660	70	60	60	55	60	50	50	45	60	50	50	45				
		660	60	50	50	45	60	50	50	45	60	50	50	45				
			<b>Combined Lien Balance</b>															
Max Combined Lien Balance			\$2,000,000				\$3,000,000				\$3,500,000				\$4,000,000			
Max CLTV			90%				85%				75%				65%			

## BANK STATEMENT INCOME QUESTIONNAIRE

REQUIRED ON ALL BANK STATEMENT LOANS – EFFECTIVE IMMEDIATELY

### Bank Statement Income Questionnaire

To accurately assess your income using bank statements, you must complete the following questionnaire to the best of your knowledge.

Name: \_\_\_\_\_ Business Name: \_\_\_\_\_

- Percentage of ownership in the business: \_\_\_\_\_
- Business Organizational Type (check one below)
   
 DBA  Partnership  LLC  Corporation
- Please describe the nature of your business, and how you generate income (please be specific):
   
\_\_\_\_\_
- Number of employees/contractors you pay: \_\_\_\_\_
- Gross Annual Revenue: \_\_\_\_\_
- Deposit methods of income (check all that apply)
   
 PayPal / Zelle / Venmo
   
 Check
   
 Credit Card
   
 Cash
   
 Wire
- Do you incur these expenses for your business? If you mark "No", please explain why it does not apply.
 

	Yes	No
a. Advertising	<input type="checkbox"/>	<input type="checkbox"/>
b. Space (Rent/Lease)	<input type="checkbox"/>	<input type="checkbox"/>
c. Payroll (wages paid other than to applicant)	<input type="checkbox"/>	<input type="checkbox"/>
d. Insurance	<input type="checkbox"/>	<input type="checkbox"/>
e. Cost of Goods Sold	<input type="checkbox"/>	<input type="checkbox"/>
f. General (Travel / Sales / Admin)	<input type="checkbox"/>	<input type="checkbox"/>

Signature \_\_\_\_\_

Date \_\_\_\_\_

[JET CLICK HERE FOR ALL GUIDELINES, MATRICES, RELEASES & QUICK TIPS \(Sharepoint\)](#)

[HMAC CLICK HERE FOR ALL GUIDELINES, MATRICES, RELEASES & QUICK TIPS \(Sharepoint\)](#)

