



first community mortgage

CORRESPONDENT ANNOUNCEMENT 2021-5

March 16, 2021

Guideline Update- VVOE

Effective March 16, 2021 First Community Mortgage amends the previous announcement 2020-10 to meet current guidelines:

Verbal Verification of Employment (VVOE) must be obtained for each borrower using employment or self-employment income to qualify. The VVOE must be obtained within 10 business days prior to the note date for employment income.

Self-Employed Borrowers:

Verifications must be dated within 120 days of the NOTE date

- from a third party, such as a CPA, regulatory agency, or the applicable licensing bureau, if possible;
- OR**
- by verifying a phone listing and address for the borrower's business using a telephone book, the Internet, or directory assistance.

Additionally:

Due to latency in system updates or recertifications using annual licenses, certifications, or government systems of record, verification the Borrower's business is open and operating must be obtained within 20 business days prior to the note date.

Below are examples of methods allowed for verifying borrower's business is currently operating:

- Evidence of current work (executed contracts or signed invoices indicating the business is operating on the day of verification);
- Evidence of current business receipts within 20 days of the note date(payment for services performed);
- Lender certification the business is open and operating (lender confirmed through a phone call or other means); or
- Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled)