



COVID-19 Announcement CV-21-2

September 8, 2021

first community mortgage

FCM continues to follow COVID-19 updates and flexibilities in accordance with FHA, USDA, and VA. The following Government loan temporary flexibilities continue to be in place until further notice, unless otherwise outlined below.

FHA (Set to expire on case #'s on or after 9.30.21)

Self-Employment Income Requirements:

When self-employment income is used to qualify the Borrower, the Mortgagee must verify and document that the income derived from self-employment is stable with a reasonable expectation that it will continue.

The Mortgagee must obtain one of the following to verify and confirm that the business is open and operating:

- evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment);
- evidence of current business receipts within 10 days of the note date (payment for services performed);
- lender certification that 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)

Rental Income:

When a borrower is qualifying utilizing rental income, for each property generating rental income the Mortgagee must either:

- Reduce the effective income associated with the calculation of rental income by 25%, or
- Verify 6 months PITI reserves (this option is applicable to Forward only), or
- Verify the borrower has received the previous 2 months rental payments as evidenced by borrower's bank statements showing the deposit. (This option is applicable only for borrowers with a history of rental income from the property).

All FHA, VA, and USDA Forbearance requirements