



WHOLESALE ANNOUNCEMENT 2021-31

November 1, 2021

Jumbo Express Guideline Updates

first community mortgage

Effective Date

New locks on or after November 1, 2021

Guideline Updates:

Matrix

- Matrix changes to reflect updated loan amounts

Underwriting

- DU Approve/LPA Accept Ineligible OR DU Approve/LPA Accept Eligible
 - Ineligible for Loan Amount Only or max LTV cash-out refinances

Eligible Borrowers-First-Time Homebuyers

- First Time Homebuyers
 - A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date.
 - Owner-occupied only
 - Maximum loan amount \$2,000,000

Debt-To-Income Ratio (DTI)

- 43% / self-employed 35%

Purchase Transactions

- If Seller has taken title to the subject property 90 days prior to the date of the sales contract, the following requirements apply:
 - Property seller on the purchase contract is the owner of record
 - Combined LTV will be based on the lesser of the prior sales price or the current appraised value

Refinance Transactions

- Cash-out Refinance Requirements
 - Texas 50(a)(6) refinances are ineligible
 - Max cash-out \$300,000

Credit Documentation Requirements

- Credit Tradelines/Score
 - Credit rescues are not permitted unless the rescue is correcting erroneous line items or disputed accounts.



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- Mortgage/Rental History
 - Borrowers with no mortgage/rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation.

Income Documentation Requirements

- Verbal VOE
 - The VOE(s) documenting prior employment, not including the current employer, must be dated prior to closing, but are NOT required to be dated within ten (10) calendar days.

Assets & Source of Funds

- Cash Reserves
 - Primary Residence- Purchase/Rate-Term Refinance = 12 months
 - Primary Residence- Cash-Out Refinance = 18 months
 - Second Home- Purchase/Rate-term Refinance/Cash-Out Refinance = 18 months
 - Non-Owner Occupied- The greater of the AUS reserve requirements or below requirements:
 - Loan Amount \leq \$1,000,000 = follow AUS requirements
 - Loan Amount $>$ \$1,000,000 and \leq \$2,000,000 = 3 months PITI reserves
 - Loan Amount $>$ \$2,000,000 and \leq \$2,500,000 = 12 months PITI reserves
 - Loan Amount $>$ \$2,500,000 and \leq \$3,000,000 = 18 months PITI reserves
 - Cash- Out Refinance: Loan Amount $>$ \$2,000,000 and \leq \$2,500,000 = 18 months PITI reserves
 - Equity lines of credit, gift funds, **business assets** and cash out from the subject property on refinance transactions are not acceptable sources to meet the reserve requirement

Appraisal Requirements

- Two (2) full appraisals are required for loan amounts $>$ \$1,500,000. LTV/CLTV will be based on the lower of the two values. All inconsistencies between the two appraisals must be addressed and reconciled

Please contact your Account Executive or Client Coordinator with questions