



# WHOLESALE ANNOUNCEMENT 2022-17

April 15, 2022

## Non-Conforming Jumbo Choice QM/Select 90 Select QM/Select AUS Guideline Updates

### **Effective Date**

Effective with locks on or after April 11, 2022.

### **Guideline Updates:**

#### **Choice QM:**

##### **Delayed Purchase-Refinancing**

- Texas primary residence must be treated as cash out and locked as cash out however cash out limits and 6 months seasoning will not be applicable.

##### **Credit-Derogatory Credit**

- Credit events seasoned more than 10 years do not need to be considered.
- Multiple derogatory credit events not allowed, however credit events seasoned more than 10 years do not need to be considered.

##### **Credit-Past Mortgage Forbearances**

- Payoff statements and mortgage statements must not reflect any deferred principal balances or any indication of current forbearance.

##### **Assets-Gift Funds**

- Gift funds not allowed to pay off debts to qualify.

##### **Eligibility-Non-Warrantable Condominiums**

- Only two (2) non-warrantable features are allowed
- Minimum Loan Amount is \$300,000

##### **Eligibility-Ineligible Products**

- Points and Fees exceeding 3%-see eligibility supplement

##### **Income-Employment**

- Removed the requirement for borrower to be on job 6 months for any gaps of employment
- Removed requirement for W2 transcripts for wage earners
- Removed 2106 section
- Updated Capital Gain section to align with Fannie requirements
- Updated K-1 section to allow for losses to be included off most recent tax year K-1 and no other documentation is required
- Rental Income section clarified to follow Fannie Mae requirements
- RSU income section removed requirements for tax returns to be provided in loan file
- Removed requirement for Balance Sheets to be in line with Fannie Mae requirements



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Non-Conforming Jumbo

Choice QM/Select 90

Select QM/Select AUS

Guideline Updates

## Select 90:

### Delayed Purchase-Refinancing

- Texas primary residence must be treated as cash out and locked as cash out however cash out limits and 6 months seasoning will not be applicable.

### Credit-Derogatory Credit

- Credit events seasoned more than 10 years do not need to be considered.
- Multiple derogatory credit events not allowed, however credit events seasoned more than 10 years do not need to be considered.

### Credit-Past Mortgage Forbearances

- Payoff statements and mortgage statements must not reflect any deferred principal balances or any indication of current forbearance.

### Income-Employment

- Removed the requirement for borrower to be on job 6 months for any gaps of employment
- Removed requirement for W2 transcripts for wage earners
- Removed 2106 section
- Updated Capital Gain section to align with Fannie requirements
- Updated K-1 section to allow for losses to be included off most recent tax year K-1 and no other documentation is required
- Rental Income section clarified to follow Fannie Mae requirements
- RSU income section removed requirements for tax returns to be provided in loan file
- Removed requirement for Balance Sheets to be in line with Fannie Mae requirements
- Revised receipt of alimony required from 12 months to 6 months

### Eligibility-Ineligible Products

- Points and Fees exceeding 3%-see eligibility supplement



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Choice QM/Select 90

Select QM/Select AUS

Guideline Updates

## Select QM:

### Delayed Purchase-Refinancing

- Texas primary residence must be treated as cash out and locked as cash out however cash out limits and 6 months seasoning will not be applicable.

### Credit-Derogatory Credit

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### Credit-Past Mortgage Forbearances

- Payoff statements and mortgage statements must not reflect any deferred principal balances or any indication of current forbearance.

### Assets-Gift Funds

- Gift funds not allowed to pay off debts to qualify.

### Eligibility-Ineligible Products

- Points and Fees exceeding 3%-see eligibility supplement

### Income-Employment

- Removed the requirement for borrower to be on job 6 months for any gaps of employment
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- Updated Capital Gain section to align with Fannie requirements
- Updated K-1 section to allow for losses to be included off most recent tax year K-1 and no other documentation is required
- Rental Income section clarified to follow Fannie Mae requirements
- RSU income section removed requirements for tax returns to be provided in loan file
- Removed requirement for Balance Sheets to be in line with Fannie Mae requirements



first community mortgage



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Non-Conforming Jumbo

Choice QM/Select 90

Select QM/Select AUS

Guideline Updates

## Select AUS:

### Credit-Derogatory Credit

- Credit events seasoned more than 10 years do not need to be considered.
- Multiple derogatory credit events not allowed, however credit events seasoned more than 10 years do not need to be considered.

### Appraisal

- Drive-By appraisals are not allowed

### Eligibility-Ineligible Products

- Points and Fees exceeding 3%-see eligibility supplement

To view the full Guidelines, visit the Wholesale Knowledge Center. Updated Guidelines have been posted, [Choice QM](#) , [Select 90](#) , [Select QM](#) and [Select AUS](#)

Should you have any questions, please reach out to your  
Account Executive or Client Manager