



# WHOLESALE ANNOUNCEMENT 2024-55

August 15, 2024

## Elite Jumbo AUS Guideline Updates

### Effective Date

Effective immediately

### Guideline Updates

#### Eligibility Grid

- Added loan amounts up to \$3,000,000
- Primary Residence: Purchase & R/T
  - 3-4-unit properties not eligible
  - Increased maximum LTV to 70% up to \$1M with minimum 680 FICO
- Primary Residence: Cash-Out
  - Reduced maximum LTV to 70%
  - 2 unit: Increased minimum FICO to 720
- Second Home: Cash-Out
  - Reduced minimum FICO to 720

#### Borrower Eligibility

- Non-permanent resident aliens
  - Removed maximum 75% LTV/CLTV/HCLTV cap for non-permanent resident aliens
  - Removed H2B as an eligible visa type

#### DTI

- 30 Year Fixed: Increased DTI to 49.99%

#### Appraisal Requirements

- Increased age of appraisal allowance from 90 to 120 days

#### Property Flips

##### Added Section

- A property is considered a “flip” if either of the following are true:
  - The price in the borrower’s purchase agreement exceeds the property Seller’s acquisition price by more than 10% if the property Seller acquired the property 90 or fewer days prior to the date of the borrower’s purchase agreement
  - The price in the borrower’s purchase agreement exceeds the property Seller’s acquisition price by more than 20% if the property Seller acquired the property 91-180 days prior to the date of the borrower’s purchase agreement
- If the property is a “flip” as defined above, the following additional requirements apply:
  - A second appraisal must be obtained and a copy of the second appraisal must be provided to the borrower
  - The second appraisal must be dated prior to the loan consummation/note date.
  - The property Seller on the purchase contract must be the owner of record
  - Increases in value should be documented with commentary from the appraiser and recent comparable sales
  - Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable
  - There can be no pattern of previous flipping as evidenced by multiple transfers in the last 12 months



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- Non-Arm's Length transactions are not permitted. Lender is responsible for reviewing chain of title. Particular due diligence should be exercised in cases of entity to entity transfers to ensure no red flags are present
- The property must have been marketed openly and fairly, through a multiple listing service, auction, for sale by owner offering (documented) or developer marketing. The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed-in-lieu

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

