Announcement 43-17R

Guideline Updates and Changes

Effective September 22, 2017:
The following areas of Mortgage Solutions' guidelines have been updated.

CONVENTIONAL

Pre-Closing Requirements

- All credit qualifying loans require a pre-closing soft pull credit report
  - Pre-closing soft pull credit report is not required for non-borrowing spouse credit report in community property states
  - Any significant debt load increases and/or substantial payment increases may require a new credit report per underwriting discretion
  - Additional derogatory credit reporting will require a new credit report
  - Any new disputed account or a dispute now reflected on an existing trade line must meet product specific guidelines for disputed accounts
    - If requirements cannot be met, a new credit report and AUS with dispute removed may be required
  - Any new inquiry reflected on the soft pull credit report must be explained in writing
    - If a new inquiry is reflected from the originating entity, the new credit report must be provided and used for qualifying purposes as typically soft pull updates and credit supplementing do not result in new inquiries
      - Documentation will be required to ascertain that no new credit report was obtained
    - If the inquiry results in a new debt and not reflected on credit, provide documentation of current payment and balance to be included in DTI
  - The soft pull credit report must be no more than 14 calendar days before Note date
- For Applications on or after September 22, 2017
  - All credit qualifying loans require UDM (undisclosed debt monitoring)
  - UDM monitoring is not required for a non-borrowing spouse in community property states
  - Any significant debt load increases and/or substantial payment increases may require a new credit report per underwriting discretion
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    - If the inquiry results in a new debt and not reflected on credit, provide documentation of current payment and balance to be included in DTI
    - (Wholesale Only) If a new inquiry is reflected from the originating entity (BP), the new credit report must be provided and used for qualifying purposes
      - Documentation will be required to ascertain that no new credit report was obtained

- All credit qualifying loans require a pre-closing MERS verification
  - The pre-closing MERS verification must be no more than 14 calendar days before Note date

FHA

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