

HomeBridge

Bulletin 12-17

Fannie Mae Release of DU Version 9.0

Fannie Mae will be releasing DU Version 9.0 over the weekend of October 20, 2012. Highlights of the release, as they pertain to HomeBridge guidelines, are as follows:

- High Balance transactions will no longer be subject to specific minimum credit score requirements, however MI company requirements will apply to any LTV > 80%. **HomeBridge will require a minimum credit score of 640 on all High Balance transactions.**
- DU will no longer issue the following exterior-only property inspection reports:
 - Exterior-Only Inspection Residential Appraisal Report (Form 2055).
 - Exterior-Only Inspection Condominium Unit Appraisal Report (Form 1075).
 - DU Property Inspection Report (Form 2075).

NOTE: HomeBridge will continue to accept these types of appraisal reports on loans decisioned through DU Version 8.3.

- DU's credit risk assessment will consider the probability of future serious delinquency, rather than default.
- The maximum LTV for two-unit primary residence purchase transactions is increasing from 80% LTV to 85% LTV.
- Six (6) months reserves will now be required for all 2-4 unit primary residence properties.
- Thirty day charge accounts (i.e. accounts, such as American Express, that require the balance to be paid in full monthly) will now require verification that the borrower has sufficient funds to pay the account if there is a balance.
- Alimony and child support will require a minimum of six months documented receipt of income (currently 3 months).
- A full project review will now be required when a loan is secured by a primary residence attached condominium and the LTV is > 80%.
- Fannie Mae will now allow a simultaneous refinance of any subordinate lien (outside of the refinance of the first) on a DU Refi Plus loan. The subordinate financing is **not** eligible to be rolled into the DU Refi Plus loan.
- The DU Findings report will be updated to include a field for the "First Submission Date" (red font below).

SUMMARY			
Recommendation	Approve/Eligible		
Primary Borrower	John Homeowner	Co-Borrower	Mary Homeowner
Lender Loan Number	My Loan Number	Casefile ID	1234567890
Submission Date	12/01/2012 03:18PM	Submitted By	User ID
First Submission Date	10/22/2012 01:07 PM	DU Version	9.0
Submission Number	5		

- DU 9.0 will issue new income documentation requirements on certain income types as detailed in the chart below.

Income Type	New DU Documentation Requirements	New DU Documentation Requirement – DU Refi Plus
Salary/hourly Base Pay	Most recent paystub plus W-2 covering most recent year	Paystub
Bonus/Overtime/Commission < 25%	Most recent paystub plus W-2s covering most recent 2-year period	Paystub
Commission > 25%	Paystub, W-2s and personal tax returns covering most recent 2-year period	Person tax return covering most recent year
Self-Employment	Personal and business tax returns covering most recent 2-year period	Personal tax return covering most recent year
Second job (not self-employed)	Paystub plus W-2s covering most recent 2-year period	Paystub plus W-2s covering most recent 2-year period
Second job (self-employed)	Personal and business tax returns covering the most recent 2-year period	Personal and business tax returns covering the most recent 2-year period

NOTE: HomeBridge will accept documentation per DU Version 8.3 Findings for loans decided under DU Version 8.3.

- The following “Other Sources of Income” types have been added to the online loan application (1003) in the DO/DU Interface:
 - Capital gains,
 - Employment-related assets,
 - Foreign Income,
 - Royalty payment,
 - Seasonal Income,
 - Temporary Leave, and
 - Tip Income

The DU Findings will issue a message specific to the income type as to how the income is to be documented based on Fannie Mae’s selling guide. Refer to Fannie Mae’s Selling Guide for detailed requirements [Fannie Mae Selling Guide](#).

NOTE: DU 8.3 will not be updated to accept these income types. If these types of income are passed to DU on a DU Version 8.3 casefile, the income will not be included in the income or DTI calculations.

The HomeBridge Agency Conforming, Agency High Balance and DU Refi Plus matrices will be updated accordingly and posted on HomeBridge’s website at www.homebridgeworks.com on Monday, October 22, 2012.

If you have any questions regarding this Bulletin please contact your Account Executive.