



Bulletin 15-29

FNMA Enhancements

HomeBridge has updated the Fannie Mae Agency, High Balance and HomeStyle Renovation products to incorporate FNMA's recently announced enhancements. The improvements can be applied immediately to both pipeline and new submissions.

Conversion of Principal Residence to Investment Property

When a principal residence is being converted to investment property, the additional reserve and rental income requirements have been removed.

Rental income calculation and minimum reserve requirements will now follow standard FNMA requirements when a primary residence is converted to investment property.

Sale of Existing Primary Residence

When a borrower is selling their current residence and it will not close prior to the closing of the subject property, the PITIA from the existing primary does not need to be included in DTI calculations provided:

- A fully executed contract of sale for the existing property is obtained and
- Written verification from the closing attorney or escrow is obtained confirming all financing contingencies have been removed.

Unreimbursed Employee Expenses

For a borrower who is qualified using bonus/overtime of any amount or commission income that is less than 25% of income, unreimbursed expenses do not need to be deducted from qualifying income.

Unreimbursed expenses only need to be deducted when commissions are 25% or more of qualifying income. When commissions are 25% or more, two years 1040's will be required to calculate the unreimbursed employee expense average.

Union dues and other voluntary deductions on a paystub do not need to be deducted from qualifying income.



Stocks, Bonds and Mutual Funds

100% of the value of stocks, bonds and mutual funds (including retirement accounts) may be used to determine minimum reserve requirements.

When stocks, bonds and mutual funds (including retirement accounts) are used for down payment and/or closing costs, proof of liquidation is no longer required if the combined asset value is at least 20% more than what is required for the transaction.

The Fannie Mae Agency, High Balance and HomeStyle Renovation guidelines have been updated and posted on the HomeBridge website at www.homebridgewholesale.com.

If you have any questions, please contact your Account Executive.