



Bulletin 15-43

Jumbo Program Updates

HomeBridge has updated the Jumbo program as detailed below. The updates apply to loans submitted to HomeBridge on or after December 7, 2015.

Appraisal Requirement for Refinance Transactions

A second appraisal is required on a refinance transaction when the loan amount is > \$1,500,000 (previously a second appraisal was required when the loan amount was > \$1,000,000)

Property Flips

Property flip topic was updated to clarify that the additional requirements for properties purchased by the seller within 90 days of the purchase contract do **not** apply if the property seller is a bank that received the subject property as a result of a foreclosure action or deed-in-lieu.

Credit Reports Subject to Credit Freeze

If a credit bureau is reporting a credit report as "frozen" HomeBridge will required the freeze to be removed, and a new credit report, with all bureaus "unfrozen" will be required.

Departing Residence Pending Sale

Added a new requirement when the departure residence is pending sale but will not close prior to the new transaction to exclude the departure residence PITIA from the qualifying DTI:

- Transaction must be arm's length.

1031 Exchange Funds

1031 exchange funds are eligible assets on second home and investment purchase transactions subject to the following:

- Copies of the HUD-1/CD for both properties, and
- Copy of the Exchange Agreement, and
- Sales contract for the exchange property, and
- The underwriter must verify the funds from the Exchange Intermediary.

NOTE: Reverse 1031 exchange transactions are not allowed.

Asset Depletion

Clarified that asset depletion is **not** an eligible income source

Rental Income

The Rental Income – All Properties topic was clarified to add if the rental payment indicated on the current lease is less than the rental income reported on the tax returns, justification for using the income reported on the tax returns must be provided. If no justification, the lease amount less expenses should be considered for rental income/loss.

Alimony Payments

Alimony payments may now be either deducted from income **or** included in the DTI calculation. This option applies to alimony payments **only**.

The Jumbo program guidelines have been updated with these changes and posted on the HomeBridge website at www.homebridgewholesale.com

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