



## Bulletin 16-28

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### **Jumbo and Jumbo Flex Updates**

HomeBridge is updating the Jumbo and Jumbo Flex programs as detailed below.

#### **Jumbo and Jumbo Flex**

The following updates apply to **both** the Jumbo and Jumbo Flex programs:

##### **Investment Transactions**

When using rental income to qualify, a copy of the executed lease agreement will be required (previously not required).

##### **Collateral Desktop Analysis (CDA)**

A CDA will **no longer be required** when the transaction type requires two appraisals (purchase transactions with > \$2M loan amount or refinance transactions with > \$1.5 loan amount). The LTV will be determined by the lower of the two appraised values.

NOTE: HomeBridge will continue to require a CDA when the transaction only requires **one** appraisal. Refer to [HomeBridge Bulletin 16-13](#) for CDA details.

##### **Business Funds**

When business funds are used for down payment and/or closing costs HomeBridge requires a cash flow analysis using three months bank statements to determine the withdrawal of the funds will not have a negative impact on the business.

The bank statements used for the cash flow analysis cannot reflect any instances of non-sufficient funds or overdraft (previously not required).

##### **Medical Collections**

Medical collections may remain outstanding as long as the cumulative total of all medical collection accounts is < \$10,000 (new guidance).

##### **Judgments/Tax Liens/Charge-offs/Past-due Accounts**

Charge-offs and past-due accounts are now subject to the same requirements as judgments and tax liens. Past-due accounts must be brought current or paid in full and charge-offs must be paid in full prior to or at closing (new guidance).

Cash-out proceeds from the subject transaction may **not** be used to satisfy these accounts.

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## **Jumbo Program**

The following applies to the Jumbo program **only**:

### **Second Home Cash-Out**

- The borrower may now own four financed properties, including the subject (previously the borrower was only allowed to own the subject and a primary residence on a second home cash-out transaction).
- The requirement that no rental income for the subject property is shown on Schedule E has been removed.

The Jumbo and Jumbo Flex guidelines have been updated with this information and posted on the HomeBridge website at [www.homebridgewholesale.com](http://www.homebridgewholesale.com)

These updates are effective immediately and apply to new submissions and loans currently in the pipeline.

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