



Bulletin 17-38

Jumbo and Jumbo Flex Enhancements

HomeBridge is pleased to announce the following enhancements to the Jumbo/Jumbo Flex programs.

Jumbo Program

- **Derogatory Credit**

- Borrowers with derogatory credit (bankruptcy, foreclosure, short sale, deed-in-lieu) are now **eligible** with a 7 year seasoning requirement (previously ineligible regardless of seasoning).
- Exceptions may be considered for derogatory events > 4 years to < 7 years if the credit event was due to extenuating circumstances (death of spouse, serious illness of spouse or child, etc.)

NOTE: Multiple derogatory credit events are **not** allowed.

- **Rental History**

- Twelve (12) month 0x30 history required (previously 24). Mortgage history continues to have a 24 month requirement.

- **Business Funds**

- Business funds are now eligible to satisfy reserve requirements (previously business funds only eligible for down payment and closing costs).
- If business funds or combination business/personal funds used to satisfy reserves the amount of required reserves for the subject property and any other financed property owned by the borrower is doubled (e.g. if 6 months PITIA for subject and 6 months for (1) additional financed property = \$30, 000 in reserves then \$60, 000 in reserves required)

NOTE: Existing requirements for using business funds (cash-flow analysis, 100% ownership in business, etc.) apply. Refer to guidelines for complete details.

Jumbo Flex

- **Derogatory Credit**

- The derogatory credit (bankruptcy, foreclosure, short sale, deed-in-lieu) waiting period is now four (4) years since the event (previously 7 year waiting period required) subject to certain eligibility requirements. The following applies when the event was > 4 years up to 7 years:
 - Eligible on primary residence purchase and rate/term transactions **only**
 - Maximum 80% LTV (or applicable LTV if lower due to loan amount, etc.)
 - A 24 month housing history required
 - No mortgage lates, judgments, tax liens, charge-offs since credit event
 - No exceptions to tradeline requirements

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- Exceptions may be considered for derogatory events > 2 years to < 4 years if the credit event was due to extenuating circumstances (death of spouse, serious illness of spouse or child, etc.)

NOTE: Multiple derogatory credit events are **not** allowed

- **Rental History**

- A 12 month rental history is now acceptable with 1x30 in 12. Any rental lates cannot have occurred in the 3 months prior to the new transaction. There is **no change** to the current mortgage history requirements.

- **Business Funds**

- Business funds are now eligible to satisfy reserve requirements (previously business funds only eligible for down payment and closing costs; ineligible for reserves).
- If business funds or combination business/personal funds used to satisfy reserves the amount of required reserves for the subject property and any other financed property owned by the borrower is doubled.

NOTE: Existing requirements for using business funds (cash-flow analysis, 100% ownership in business, etc.) apply. Refer to guidelines for complete details.

These enhancements are eligible for loans currently in the pipeline and new submissions.

The Jumbo and Jumbo Flex guidelines have been updated with this information and posted on the HomeBridge website at www.HomeBridgeWholesale.com

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