

## Bulletin 22-11

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### Simple Access Program Updates

Homebridge has made updates and clarifications to our Simple Access guidelines.

#### Matrices

The Simple Access matrices have been updated to separate matrices by documentation option

- **Full Doc:** Includes 1 or 2 Year Paystub/W-2 or 1 or 2 Year Tax Returns
- **Alt Doc:** Includes 12 or 24 Month Bank Statement, 1099 Only, and Asset Qualifier  
**NOTE:** Asset Qualifier has separate LTV/Loan Amount/Credit Score matrix
- **Investor Cash Flow**
- **Foreign National**

The updated matrices are included beginning on page 3 of this Bulletin

**Highlights of the updates are below; refer to the Simple Access guidelines for complete details**

#### Alt Doc Bank Statement Option Specific Updates/Clarifications

- Updated 12 and 24 months bank statements income trend policy for declining income
- Rental Income - Subject Property Purchase: Gross rental income is the market rent as determined by the appraiser

#### Investor Cash Flow Specific Updates/Clarifications

- When the LTV is  $\leq 70\%$  and  $\geq 700$  credit score the **additional** PITIA reserves has been lowered to 3 months
- Maximum cash-out is \$500,000 regardless of LTV
- The interest-only feature is now eligible on an ARM transactions with a 40 year loan term amortized over 30 years in addition to the 30 year loan term amortized over 20 years
- DSCR requirements are now determined by LTV/loan amount/credit score and the minimum DSCR is now listed on the ICF matrix; refer to the ICF matrix for requirements
- Updated foreign national eligibility

#### Full Doc Updates/Clarifications

- Derogatory credit event exception allowing for a 0-2 year waiting period from event end date to event completion date has been **removed**; the minimum waiting period is now 2 years, subject to a maximum 75% LTV or the maximum allowed per the matrix for the transaction type, whichever is less

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## Highlights of General Updates/Clarifications

- Loan amounts up to \$3,000,000 now available on Full and Alt Doc options
- Minimum credit score is now 660
- Maximum DTI 50%
- Cash-out transactions are subject to the following:
  - A 12 month lookback required (measured from Note date to Note date) for **ALL** mortgages the borrower(s) are obligated on to determine if any cash-back was received
    - Any cash received by the borrower(s) in the previous 12 months **must be applied to the maximum cash-out limitations (i.e. the borrower is limited to a maximum of \$1,000,000 cash-out proceeds from all transactions/properties over the previous 12 months)**
    - The requirement is **cumulative** for all borrowers on the transaction

**Example:**

- Cash-out limit is \$1,000,000
- If one borrower had a cash-out refinance (subject or non-subject) and received 400,000 in cash within the previous 12 months, **and**
- Another borrower had a cash-out refinance on a different property and received \$200,000 in cash within the previous 12 months
- The cash-back on the subject property transaction is capped at \$400,000 (subject to the cash-back LTV/credit score criteria as applicable)

- Additionally, cash-back limitations also include the amount of cash-in-hand to the borrower **PLUS** the payoff of any non-mortgage debt

**Example:**

- Cash-out limit is \$500,000
- Borrower is paying off \$200,000 in non-mortgage debt
- Maximum cash-in-hand to borrower is \$300,000

- **Full and Alt Doc Options:** Maximum cash-out:
  - Maximum cash-out \$1,000,000
  - Cash-out > \$300,000 requires a minimum 700 credit score, and
  - Cash-out > \$500,000 maximum 60% LTV
- Reserve requirements have been updated
- The interest-only feature is available for primary residence and second home transactions **ONLY**; IO feature is **no longer available for investment transactions EXCEPT** as noted below:
  - Investor Cash Flow option interest-only option **continues to be eligible**
- Appraisal requirements have been updated as follows:
  - ≤ \$1,500,000 requires one full appraisal
  - > \$1,500,000 requires two full appraisals
- Bitcoin is now an eligible source of assets for funds to close **subject to Homebridge management review and approval**. Bitcoin is **ineligible** to satisfy reserve requirements

## Highlights of General Updates/Clarifications (cont.)

- Updated residual income requirements for Full Doc, Bank Statement, 1099 Only and Asset Qualifier
- Clarified that Homebridge will provide financing for a maximum of 5% of the total units in a condo project (warrantable and non-warrantable projects), and updates made to non-warrantable condos
- A 1x30 in the previous 12 months housing history is now eligible
- Vesting in the name of a corporation or partnership is **no longer eligible**
- Updated LLC requirements to add the following:
  - LLCs are eligible on investment properties **only**
  - The LLC must have been created to manage rental properties **only**
  - A maximum of two (2) members in the LLC and must be a U.S. citizen or permanent resident alien
  - All members of the LLC must be borrowers on the transaction
- Clarified that New York CEMA transactions are **not** eligible
- The property/hazard insurance coverage requirements have been updated as detailed below
  - Property/hazard insurance coverage for SFRs must, at minimum, be equal to:
    - Replacement cost coverage (or similar verbiage) as stated on the Declarations page, **OR**
    - 100% of the insurable value of improvements as established by the insurer or as determined from the appraisal

**NOTE:** The option to calculate coverage using 80% of the insurable value/cost estimate is **no longer eligible**
- The Insurance Quick Reference Guide, Standard Coverage Requirements topic, has been updated to reflect the new property/hazard insurance requirements

## Updated Matrices

FULL DOC (1-2 Year Paystub/W-2 or 1-2 Year Tax Returns)				
1-4 Unit Primary Residence <sup>5</sup>				
Transaction Type	Credit Score	LTV/CLTV	Maximum Loan Amount <sup>1</sup>	DTI <sup>2</sup>
Purchase and Rate/Term Refinance <sup>2</sup>	680	90% <sup>4</sup>	\$1,000,000	50%
	660	85% <sup>4</sup>	\$1,000,000	50%
	700	90% <sup>4</sup>	\$1,500,000	50%
	680	85% <sup>4</sup>	\$1,500,000	50%
	660	80% <sup>4</sup>	\$1,500,000	50%
	700	85% <sup>4</sup>	\$2,000,000	50%
	660	75%	\$2,000,000	50%
	720	80% <sup>4</sup>	\$2,500,000	50%
	700	75%	\$2,500,000	50%
	720	75%	\$3,000,000	50%
Cash-Out <sup>3</sup>	700	80% <sup>4</sup>	\$1,000,000	50%
	680	75%	\$1,000,000	50%
	700	75%	\$1,500,000	50%
	660	70%	\$1,500,000	50%
	720	75%	\$2,000,000	50%
	700	70%	\$2,000,000	50%
	680	65%	\$2,000,000	50%
	660	60%	\$2,000,000	50%
	720	70%	\$2,500,000	50%
	700	65%	\$2,500,000	50%
720	65%	\$3,000,000	50%	
700	60%	\$3,000,000	50%	

<b>FULL DOC</b> <b>(1-2 Year Paystub/W-2 or 1-2 Year Tax Returns)</b>				
<b>1-Unit Second Home and 1-4 Unit Investment</b>				
Transaction Type	Credit Score	LTV/CLTV	Maximum Loan Amount <sup>1</sup>	DTI
Purchase and Rate/Term	680	85%	\$1,000,000	50%
	660	80%	\$1,000,000	50%
	700	85%	\$1,500,000	50%
	680	80%	\$1,500,000	50%
	660	75%	\$1,500,000	50%
	700	80%	\$2,000,000	50%
	680	75%	\$2,000,000	50%
	660	70%	\$2,000,000	50%
Cash-Out Refinance	700	75%	\$1,000,000	50%
	720	75%	\$1,500,000	50%
	660	70%	\$1,500,000	50%
	700	70%	\$2,000,000	50%
	680	65%	\$2,000,000	50%
	660	60%	\$2,000,000	50%

<b>ALT DOC</b> <b>(Bank Statements, 1099 Only, Asset Qualifier <sup>4</sup>)</b>				
<b>1-4 Unit Primary Residence <sup>6</sup></b>				
Transaction Type	Credit Score	LTV/CLTV <sup>5</sup>	Maximum Loan Amount <sup>1</sup>	DTI <sup>2,4</sup>
Purchase and Rate/Term Refinance	680	90%	\$1,000,000	50%
	660	85%	\$1,000,000	50%
	700	90%	\$1,500,000	50%
	680	85%	\$1,500,000	50%
	660	80%	\$1,500,000	50%
	700	85%	\$2,000,000	50%
	660	75%	\$2,000,000	50%
	720	80%	\$2,500,000	50%
	700	75%	\$2,500,000	50%
	720	75%	\$3,000,000	50%
Cash-Out Refinance <sup>3,4</sup>	720	80%	\$1,000,000	50%
	660	70%	\$1,000,000	50%
	680	70%	\$1,500,000	50%
	660	65%	\$1,500,000	50%
	720	75%	\$2,000,000	50%
	700	70%	\$2,000,000	50%
	680	65%	\$2,000,000	50%
	660	60%	\$2,000,000	50%
700	60%	\$2,500,000	50%	
<b>1-Unit Second Home and 1-4 Unit Investment <sup>6</sup></b>				
Transaction Type	Credit Score <sup>4</sup>	LTV/CLTV <sup>5</sup>	Maximum Loan Amount <sup>1</sup>	DTI <sup>2,4</sup>
Purchase and Rate/Term Refinance	660	80%	\$1,000,000	50%
	680	80%	\$1,500,000	50%
	660	75%	\$1,500,000	50%
	700	80%	\$2,000,000	50%
	680	75%	\$2,000,000	50%
	660	70%	\$2,000,000	50%
Cash-Out Refinance <sup>3,4</sup>	660	70%	\$1,000,000	50%
	720	75%	\$1,500,000	50%
	680	70%	\$1,500,000	50%
	660	65%	\$1,500,000	50%
	700	70%	\$2,000,000	50%
	680	65%	\$2,000,000	50%
660	60%	\$2,000,000	50%	

<b>Alt-Doc (Asset Qualifier)</b>			
<b>1-4 Unit Primary Resident</b>			
Transaction Type	Credit Score <sup>2</sup>	LTV/CLTV	Maximum Loan Amount <sup>3</sup>
Purchase and Rate/Term Refinance	700	75%	\$2,500,000
	720	75%	\$3,000,000

<b>INVESTOR CASH FLOW</b>				
<b>1-4 Unit Investment</b>				
Transaction Type	Credit Score <sup>5,8</sup>	LTV/CLTV <sup>3,4,8</sup>	Maximum Loan Amount <sup>1</sup>	Minimum DSCR
Purchase Only	720	80%	\$1,500,000	1.00
Purchase and Rate/Term Refinance	700	80%	\$1,000,000	1.00
	680	75%	\$1,000,000	1.00
	660	70%	\$1,000,000	1.00
	700	75%	\$1,500,000	1.00
	680	70%	\$1,500,000	1.00
	660	65%	\$1,500,000	1.00
	720	75%	\$2,000,000	1.00
	700	70%	\$2,000,000	1.00
	680	65%	\$2,000,000	1.00
Cash-Out Refinance <sup>2</sup>	660	60%	\$2,000,000	1.00
	700	75%	\$1,000,000	1.00
	660	65%	\$1,000,000	1.00
	700	70%	\$1,500,000	1.00
	660	60%	\$1,500,000	1.00
700	60%	\$2,000,000	1.00	
Transaction Type	Credit Score <sup>5</sup>	LTV/CLTV <sup>7</sup>	Maximum Loan Amount <sup>1</sup>	Minimum DSCR <sup>6,7</sup>
Purchase and Rate/Term Refinance	700	75%	\$1,000,000	0.75
	700	70%	\$1,500,000	0.75
	700	65%	\$2,000,000	0.75
Cash-Out Refinance <sup>2</sup>	720	70%	\$1,000,000	0.75
	700	65%	\$1,500,000	0.75
Transaction Type	Credit Score <sup>5</sup>	LTV/CLTV <sup>7</sup>	Maximum Loan Amount <sup>1</sup>	Minimum DSCR <sup>6,7</sup>
Purchase Only	720	70%	\$1,000,000	< 0.75
	700	65%	\$1,500,000	< 0.75
Rate/Term Refinance	700	65%	\$1,500,000	< 0.75
Cash-Out Refinance <sup>2</sup>	700	60%	\$1,500,000	< 0.75

<b>Foreign National <sup>1,6,7</sup> (Investor Cash Flow Option ONLY)</b>				
<b>1-4 Unit Investment</b>				
Transaction Type	Credit Score <sup>2</sup>	LTV/CLTV	Maximum Loan Amount <sup>3</sup>	Minimum DSCR
Purchase and Rate/Term Refinance	680	65%	\$2,000,000	1.00
Cash-Out Refinance <sup>4</sup>	680	65%	\$1,000,000	1.00
	700	65%	\$1,500,000	1.00
	680	60%	\$1,500,000	1.00
	700	60%	\$2,000,000	1.00

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## Effective Dates

- **Transactions Underwritten and Approved on or before May 2, 2022**
  - Eligible under the current Simple Access guidelines
  - Previously approved exceptions will be honored as long as there are **no changes** to the approved exception
  - The loan must close by the rate lock expiration date
- **Transactions Underwritten and Approved on or after May 3, 2022**

The loan is subject to the new credit requirements detailed in this communication
- **Updated Insurance Requirements**

The updated insurance requirements will go into effect for transactions that are CTC May 16, 2022 and after

## Guidelines

Simple Access guidelines are posted on the Homebridge website at [www.HomebridgeWholesale.com](http://www.HomebridgeWholesale.com) on the Products and Guidelines page

- The **current** Simple Access guidelines will remain posted on the website as “Simple Access – Transactions Approved on or before May 2, 2022”
- The **updated** Simple Access guidelines will be posted on the website as “Simple Access – Transactions Approved May 3, 2022 and After”

## Insurance Quick Reference Guide

- The current Insurance QRG will remain posted on the website on the **Working With Us** page under **Reference Guides – General** on the website as “Insurance Quick Reference Guide for Transactions CTC on or before May 15, 2022”
- The updated Insurance QRG has been posted on the website on the **Working With Us** page under **Reference Guides – General** on the website as “Insurance Quick Reference Guide for Transactions CTC May 16, 2022 and After”

## Updates to P.A.T.H.

The program selections in P.A.T.H. have been updated as detailed in the chart below. Additionally, certain selections will require a manual lock as noted in the chart.

<b>Simple Access (SA): Updated Program Name Selections in P.A.T.H.</b>			
<b>Old Selections</b>	<b>New Selections</b>	<b>Use For:</b>	<b>Manual Lock Required</b>
SA 12 Month 1099 and Alt Doc	SA 12 Month Alternative Doc	12 Month Bank Statement	No
SA 12 Month and 1099 Alt Doc	SA 1 Year 1099	1 year 1099 Only Income	<b>Yes</b>
SA Full Doc	SA 1 year Tax Return	Full Doc using 1 Year Tax Return	<b>Yes</b>
SA 24 Month and 1099 Alt Doc	SA 24 Month Alternative Doc	24 Month Bank Statement	No
SA 24 Month and 1099 Alt Doc	SA 2 year 1099	2 Year 1099 Only Income	<b>Yes</b>
SA Asset Qualifier	SA Asset Qualifier	Depletion of assets as primary qualifying income	No
SA Full Doc	SA Asset Utilization	Qualified using distribution from non-retirement account(s) only or in conjunction with other Full Doc income	<b>Yes</b>
SA Investor Cash Flow	SA Investor Cash Flow	Qualified using DSCR of Subject Property	No
SA Full Doc	SA Full Doc	Full Doc using 2 years W2 or 2 years Tax Returns	No
SA Full Doc	SA 1 Year W2	1 Year W2	<b>Yes</b>

If you have any questions, please contact your Account Executive