

Bulletin 23-42

Access (Non-QM) Enhancements and Updates

Homebridge is announcing significant enhancements to the Access (Non-QM) program along with additional updates. The below highlights the expanded LTV and loan amount enhancements; Brokers should refer to the Access guidelines to see all improvements.

Investor Cash Flow Specific

- LTVs have been expanded across all transaction types (purchase, rate/term, and cash-out).
- Loan amounts up to \$3,000,000 now available for purchase, rate/term, and cash-out transactions (previously max loan amount was \$2,000,000)
 - Purchase and rate/term refi: \$2,500,000 loan amount with 70% LTV and 680 credit score
 - Purchase and rate/term refi: \$3,000,000 loan amount with 70% LTV and 700 credit score
- > 75% LTV minimum DSCR is now 1.00 (previously 1.15)
- Short-term rental income policy has been updated as follows:
 - Minimum 1.15 DSCR required (previously 1.25) for both purchase and refinance transactions
 - The Overview Report is **no longer** required, therefore, a market grade is no longer required
 - Purchase transactions now require 4 comparables (previously 6) and the comparables must be within the same zip code of the subject property (previously had to be within 3 miles)
 - Short-term rentals are **no longer** eligible in **New York city** (new)
- Reserve requirements have been updated as follows:
 - Loan amount ≤ \$500,000: 3 months PITIA regardless of LTV (previously > 70% required 6 months)
 - Loan amounts > \$1,500,000 to \$2,500,000: 9 months PITIA (previously to \$2,000,000)
 - > \$2,500,000 to \$3,000,000: 12 months PITIA (new)
 - 620 to 639 credit score: 12 months PITIA (new)

Full Doc Specific

- Loan amounts up to \$3,000,000 with credit score as low as 680 eligible for all occupancy types
- Primary residence purchase and rate/term: 90% LTV with 700 credit score and \$1,000,000 loan amount (previously 740 credit score required)
- Primary residence purchase and rate/term: 90% LTV with 740 credit score and \$1,500,000 loan amount (new)
- Investment property purchase and rate/term: 70% LTV with 620 credit score and \$1,500,000 (new)
- Investment property cash-out eligible up to 80% LTV (previously max LTV 75%)

Alt-Doc Specific

- Purchase and rate/term primary residence eligible up to 90% LTV with a \$1,000,000 loan amount with minimum 700 credit score (previously minimum 740 credit score)
- Purchase and rate/term primary residence eligible up to 80% LTV with a \$2,500,000 loan amount with minimum 680 credit score (previously minimum 720 credit score)
- Cash-out on primary residence eligible up to 75% LTV with a \$3,000,000 loan amount and minimum 700 credit score (previously max loan amount \$2,500,000 with 60% LTV and 700 credit score)

Ineligible Properties

Properties located in lava zone 1 or 2 are **ineligible** (new)

Acceptable Foreign Financial Institutions List

The Acceptable Foreign Financial Institutions list (Exhibit A) has been removed from the guidelines. The letter from the financial institution verifying the borrower's deposit relationship with that institution, when the borrower is living overseas, is no longer required to be from a specific institution.

These enhancements and updates are applicable to loans locked on or after October 6, 2023

NOTE: ICF transactions using short-term rental income that have not yet been submitted to Homebridge, but Homebridge obtained a previous version of the AirDNA Rentalizer, the Homebridge Underwriter will obtain an updated AirDNA Rentalizer report at the time of underwrite.

Due to the extensive nature of the LTV updates, there will be two sets of Access guidelines posted on the website:

- One version will be for loans locked **on or before** October 5, 2023
- One version will be for loans locked **on or after** October 6, 2023

The matrices in the Access guides applicable to loan locked **on or after** October 6, 2023 have been updated to reflect the various credit score pricing adjustors, consequently the matrices have significantly expanded.

If you have any questions, please contact your Account Executive