

# CREDIT POLICY ANNOUNCEMENT

## Bulletin- 2025-05 | Guideline Updates

The following updates have been made to the guidelines. Visit <https://correspondent.springeq.com/> for the updated guidelines. Please contact your account executive with questions.

### UW Guideline updates by section:

- Major Adverse Credit (pages 21) – **Effective immediately for all loans in progress and all new loans**
  - The language regarding collection accounts and/or charge-offs on non-mortgage accounts has been updated to align with Fannie Mae. The new criteria now considers the number of units, occupancy type, and account balances
    - The updated language replaces the previous requirement for collection accounts and/or charge-offs on non-mortgage accounts to be paid off at or prior to closing if the balance of an individual account is less than \$250 or the total balance of all accounts is \$1,000 or less regardless of the number of units or occupancy
- Tax Returns (page 39) – **Effective immediately for all loans in progress and all new loans**
  - All dates listed in the table have been updated to align with the 2024 IRS tax filing deadlines
    - The updated dates replace the 2023 IRS tax filing deadlines
- Rental (pages 45) – **Effective immediately for all loans in progress and all new loans**
  - The language has been updated to require rental income be averaged only over the most recent 12 months
    - The updated language replaces the previous requirement for rental income to be averaged only over the most recent 2 years unless declining
- Rental Table (pages 46) – **Effective immediately for all loans in progress and all new loans**
  - The net cash flow calculation language has been updated to require rental income be averaged over 12 months when the length of ownership is 12 months or more as shown on Schedule E in the tax return
    - The updated language replaces the previous requirement of averaging rental income over 24 months when the length of ownership is 12 months or more as shown on Schedule E in the tax return
  - The required documentation has been updated to require the most recent year's personal tax return when the length of ownership is 12 months or more as shown on the tax return
    - The updated language replaces the previous requirement for the most recent two year's personal tax returns when the length of ownership is 12 months or more as shown on the tax returns

### Matrices updates by section:

- Product Terms (page 1) – **Effective for lock dates on or after 4/15/2025**
  - The 5-year and 25-year Fixed Rate HELOAN terms will be discontinued as of 4/15/2025
    - The 10, 15, 20, & 30-year Fixed Rate HELOAN terms remain unchanged
  - We are excited to introduce the following new variable rate HELOC term products:
    - 20 Year HELOC (HELOC20103) with 3 Year Draw Period, 10-year interest only payment period, and 10-year fully amortizing repayment period
    - 30 Year HELOC (HELOC3033) with 3 Year Draw Period, 3-year interest only payment period, and 27-year fully amortizing repayment period
- Appraisal (page 3) – **Effective immediately for all loans in progress and all new loans**
  - The language has been updated to permit a cost to cure not to exceed the greater of \$2,000 or 2% of the appraised value
    - This replaces the previous requirement, which permitted a cost to cure not to exceed the lower of \$2,000 or 2% of the appraised value
- Major Adverse Credit (pages 4) – **Effective immediately for all loans in progress and all new loans**
  - The language regarding collection accounts and/or charge-offs on non-mortgage accounts has been updated to align with Fannie Mae. The new criteria now considers the number of units, occupancy type, and account balances
    - The updated language replaces the previous requirement for collection accounts and/or charge-offs on non-mortgage accounts to be paid off at or prior to closing if the balance of an individual account is less than \$250 or the total balance of all accounts is \$1,000 or less regardless of the number of units or occupancy

