

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2025-10 | 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 – All updates are effective immediately and can be applied to existing loans in process

- **Tax Returns (page 38):**
 - The language has been updated to clarify that IRS tax liability requirements are no longer limited to what appears on tax returns or transcripts.
 - The updated language now states: *When there is any evidence in the file of a past due and/or delinquent tax liability owed to the IRS, documentation showing the tax liability is paid in full is required or the tax liability must be paid in full with loan proceeds.*
- **Tax Returns Table (page 39):**
 - The language was updated and most specific year references (e.g., “2022, 2023, 2024”) were replaced with “most recent and applicable year(s)” to eliminate fixed time frames.
- **Self-Employed (page 44):**
 - The following language has been removed:
“NOTE: When the borrower provides 2 years of personal and/or business tax returns, regardless of the reason (including but not limited to calculating rental income), all pages and schedules of the most recent 2 years personal and business tax returns will be required. As a result, the qualifying income will be based on 2 years tax returns, regardless of the length of the self-employed history.”
 - It has been replaced with:
“When 2 years of personal and/or business tax returns (if applicable) are provided, regardless of the reason (including but not limited to calculating rental income), all years’ returns must be reviewed to determine the calculation that best represents the income currently being received.”
 - This update removes the requirement to base qualifying income on 2 years of tax returns when provided, regardless of self-employment history.
- **Rental (page 45):**
 - The following language has been removed:
“Rental income must be averaged over the most recent 12 months. When multiple sources of documentation are provided to verify rental income, the lowest calculated rental income will be used for qualification.”
 - It has been replaced with:
“When 2 years of personal and/or business tax returns (if applicable) are provided, regardless of the reason (including but not limited to calculating self-employed income), all years’ returns must be reviewed to determine the calculation that best represents the income currently being received.”
 - This update removes the requirement to average rental income over 12 months and use the lowest calculated amount when multiple sources are provided
- **Rental Income Calculation and Documentation (Was page 46, Now page 45):**
 - The table outlining the applicable rental income calculation method and documentation requirements along with other related supporting language have been removed from the guideline.
 - A direct link to the Rental Income section of the Fannie Mae Selling Guide, which has been and remains included in the guideline, should be used in place of the table and related supporting language that were removed.
 - The following new language was added: *“Refer to the Transaction Types guideline for additional restrictions when proceeds are being used to purchase another property”*. A link to the Transaction Types section is included.