

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2024-13 | Matrices and UW Guideline Updates

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

Significant updates:

- **HELOC** – *Must be applied to applications dated 4/24 and beyond*
 - The 700-739 minimum FICO range has been split into two separate FICO ranges, 720-739 and 700-719
 - The maximum HCLTV for the 720-739 range remains unchanged (90% for Owner Occupied, 80% for 2nd Homes, and 70% Investment properties)
 - The 700-719 range permits the following maximum HCLTV for each occupancy type:
 - 90% for Owner Occupied, 70% for 2nd Homes, and 70% for Investment properties
 - 2nd Home transactions are now available for borrowers with 680-699 FICO score. The maximum HCLTV is 70%
- **HELOAN** – *Must be applied to applications dated 4/24 and beyond*
 - The maximum CLTV for 2nd Home transactions has changed from 90% to 80% for borrowers with 740+ FICO scores
 - The 700-739 minimum range has been split into two separate FICO ranges, 720-739 and 700-719
 - The 720-739 range permits the following maximum HCLTV for each occupancy type:
 - 90% for Owner Occupied (unchanged), 80% for 2nd Homes (down from 90%), and 70% Investment properties (down from 80%)
 - The 700-719 range permits the following maximum HCLTV for each occupancy type:
 - 90% for Owner Occupied, 70% for 2nd Homes, and 70% for Investment properties
 - The maximum CLTV for 2nd Homes has changed from 90% to 70% for borrowers with 680-699 FICO scores
 - The maximum CLTV for Investment properties has changed from 80% to 70% for borrowers with 680-699 FICO scores
 - 2nd Home and Investment property transactions are no longer available for borrowers with 640-679 FICO scores

Matrices updates by section:

- **Homeowners Insurance** (all product matrices) – *Must be applied to applications dated 4/24 and beyond*
 - The homeowners' insurance requirements for ALL products will be determined by the maximum line or loan amount.
 - For maximum line or loan amounts less than \$250,000, use of existing coverage amount is permitted. Replacement cost estimator or increases in coverage are not required regardless of outstanding lien amounts
 - For maximum line or loan amounts greater than or equal to \$250,000, the existing coverage amount must be equal to the lesser of either 100% of the insurable value of the improvements, as established by the property insurer OR the unpaid principal balance of all existing liens against the subject property, plus the new maximum line or loan amount
- **Tradeline Requirements** (all product matrices) – *Effective immediately for all loans in progress and all new loans registered*
 - The requirement for all income contributing borrowers to meet the tradeline requirements has been replaced. Now, the credit report must meet the tradeline requirements outlined in the guideline
- **Major Adverse Credit** (all product matrices) – *Effective immediately for all loans in progress and all new loans registered*
 - The following language has been eliminated:
 - Maximum Line Amounts or Loan amounts greater than or equal to \$250,000 –
 - Loans with major adverse credit (including past due taxes and accounts satisfied within the last 90 days where the total balance of all accounts is \$10,000 or more are ineligible

UW Guideline updates by section:

- **Tradeline Requirements** – *Effective immediately for all loans in progress and all new loans registered*
 - The requirement for all income contributing borrowers to meet the tradeline requirements has been replaced. Now, the credit report must meet the tradeline requirements outlined in the guideline
- **Major Adverse Credit** – *Effective immediately for all loans in progress and all new loans registered*
 - The following language has been eliminated:
NOTE: Loans with major adverse credit (including past due taxes and accounts satisfied) within the last 90 days where the total balance of all accounts is \$10,000 or more are ineligible when the total loan or max line amount is greater than or equal to \$250,000

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- **Open 30-Day Charge Accounts** – *Effective immediately for all loans in progress and all new loans registered*
 - The use of 5% of the balance shown on the credit report has been added as an option for documenting open 30-day charge accounts
- **Homeowners Insurance** (*all product matrices*) – *Must be applied to applications dated 4/24 and beyond*
 - The homeowners' insurance requirements for ALL products will be determined by the maximum line or loan amount.
 - For maximum line or loan amounts less than \$250,000, use of existing coverage amount is permitted. Replacement cost estimator or increases in coverage are not required regardless of outstanding lien amounts
 - For maximum line or loan amounts greater than or equal to \$250,000, the existing coverage amount must be equal to the lesser of either 100% of the insurable value of the improvements, as established by the property insurer OR the unpaid principal balance of all existing liens against the subject property, plus the new maximum line or loan amount

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