

002-20  
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## Achiever Expanded Credit Updates:

The Achiever Expanded Credit Product Guidelines have been updated to include changes to the following:

- [Program Features](#)
- [Product Types](#)
- [Income Standards & Income Based Assets](#)
- [Exceptions](#)
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- [First-Time Homebuyer](#)
- [Texas Home Equity](#)
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- [Maximum Cash Back \(Cash-Out Refinance\)](#)

The updates are noted below including their section(s) of the product guide and their effective date. Each Client should understand the changes and how they would affect their organization.

**Note:** For applications taken prior to 01-17-2020, the Achiever Expanded Credit guidelines in place at that time will be honored in the event the new guidelines are more restrictive.

### Program Features

The program features for the Achiever Expanded guidelines have been updated with the following requirements:

- Loan limits have been increased to a maximum of \$5,000,000.
- A housing ratio cap no longer applies.
- The maximum DTI has been increased to 55% with the following LTV restrictions:
  - Maximum 55%:
    - Grade A = LTV ≤ 85%
    - Grade B, B-, C = LTV ≤ 80%
  - 43.01% - 50% and LTV > 85% = FICO ≥ 660
  - > 50% with LTV > 80% = FICO ≥ 680
- The maximum LTV/CLTV for Interest Only has been increased to 85%.

#### Updated Achiever Expanded Credit Guide Topic

- 1.2 Expanded Credit Program Features

- 1.8 Expanded Credit Eligibility Matrix
- 3.5 Exposure
- 6.7 Loan Limit Maximum
- 11.18 Debt to Income Ratio (DTI)

**Effective Date**

These changes are effective immediately.

**Product Types**

The Achiever Expanded now offers these additional products and terms:

- 40-Year Fixed with 10-year Interest Only (IO) feature
- 10/1 Libor ARM
- 10/1 Libor ARM with 10-year Interest Only (IO) feature

**Updated Achiever Expanded Credit Guide Topic**

- 1.7 Expanded Credit Product Types
- 6.2 ARM Qualifications

**Effective Date**

These changes are effective immediately.

**Income Standards & Income-Based Assets**

Income standards for the Achiever Expanded have been updated with the following requirements:

- The minimum FICO for the Personal 24 Month Bank Statement program has decreased as follows:
  - $\geq$  680 FICO up to 90% LTV
  - 620 – 679 FICO up to 85% LTV
- In addition to the Business 24 Month Bank Statement program, a Business 12 Month program is now offered as follows:
  - $\geq$  520 FICO up to 80% LTV
  - 500 – 519 FICO up to 75% LTV

Refer to the Guide for documentation and calculation details regarding the 12 month expense factor and 12 month profit and loss options.

**Updated Achiever Expanded Credit Guide Topic**

- 1.9 Expanded Credit Income Standards & Income-Based Assets
- 12.1 Income Documentation
- 12.12.7 Self-Employed Business Bank Statements (12 mo Expense Factor)
- 12.12.7.1 Expense Factor Documentation
- 12.12.7.2 Expense Factor Calculation
- 12.12.8 Self-Employed Business Bank Statements (12 mo Profit & Loss Option)
- 12.12.8.1 Profit and Loss Documentation
- 12.12.8.2 Profit and Loss Calculation

**Effective Date**

These changes are effective immediately.

## Exceptions

Exceptions to published guidelines for the Achiever Expanded are considered on a case-by-case basis. Loans with exception requests should exhibit strong compensating factors. All approved exception requests are subject to a Loan Level Pricing Adjustment (LLPA).

### Updated Achiever Expanded Credit Guide Topic

- 1.10 Expanded Credit Exceptions

### Effective Date

This change is effective immediately.

## Max Exposure

The maximum exposure to a single borrower with FGMC has been increased to \$5,000,000

### Updated Achiever Expanded Credit Guide Topic

- 3.5 Exposure
- 6.7 Loan Limit Maximum

### Effective Date

This change is effective immediately.

## First-Time Homebuyer

The requirements for a first-time homebuyer have been updated as follows:

- Minimum 660 FICO
- 12+ month rental history:
  - No longer has a payment shock limitation when the DTI exceeds 43%.
  - Six (6) months reserves are required.
- < 12 month rental history with a DTI > 43% now requires an increased minimum FICO of 680.
- Rent-free borrower:
  - There are no limitations on income sources.
  - In the event rental pay history cannot be documented, the file must include written confirmation from the landlord or property owner to confirm there is no paper trail for rental payments so the borrower can be considered rent-free.

### Updated Achiever Expanded Credit Guide Topic

- 3.7 First-Time Homebuyer with 12+ Month Rental History
- 3.8 First-Time Homebuyer with < 12 Month Rental History
- 3.9 First-Time Homebuyer Rent-Free Borrower
- 10.5.3 Reserve Requirements

### Effective Date

These changes are effective immediately.

## Texas Home Equity

Texas 50(a)(6) and 50(a)(4) equity loans are now eligible for the Achiever Expanded.

- A Texas 50(a)(6) home equity loan/cash-out refinance permits homeowners to borrow against the equity in their primary residences. The loan is secured by a lien on the owner’s homestead property and may not exceed 80% LTV.
- A Texas 50(a)(4) non-home equity refinance is a rate and term refinance of an existing Texas 50(a)(6) home equity loan and may not exceed 80% LTV.

### Updated Achiever Expanded Credit Guide Topic

- 4.5 Texas Equity Loans
- 6.3 Interest Only Option

### Effective Date

These changes are effective immediately.

## Property Eligibility

Property eligibility for the Achiever Expanded has been updated as follows.

- Requirements in the Construction to Perm section were listed under “new construction”. This has been corrected to state the requirements are for construction to perm properties.
- Mixed-use properties are limited to a maximum 75% LTV.
- Unique properties are eligible and are limited to a maximum 75% LTV. In all cases, the appraisal must provide similar comparable sales and address any marketability concerns. Examples of properties that may be considered include agricultural zoned property, berm homes, log homes, properties subject to utility leases and tiny homes.
- Condominiums located in Florida no longer have specific LTV restrictions and are subject to standard loan eligibility.
- Condotel units that have at least 500 square feet of living space are now eligible as owner-occupied or second homes up to a maximum 75% LTV. Refer to the Guide for requirements that apply in addition to the Standard Condominium Requirements.

### Updated Achiever Expanded Credit Guide Topic

- 1.8 Expanded Credit Eligibility Matrix
- 7.3 Construction to Perm
- 7.10 Mixed-Use Properties
- 7.11 Unique Properties
- 7.18 Ineligible Property Types
- 8.1 Standard Condominium Requirements
- 8.4 Florida Condominium (section removed)
- 8.10 Condotels

### Effective Date

These changes are effective immediately.

## Escrow Holdback

The contingency funds requirement for an escrow holdback on an Achiever Expanded loan has been increased. It must be the greater of \$500 or 150% of the estimated cost to complete the improvement(s)/repair(s).

### Updated Achiever Expanded Credit Guide Topic

- 7.5.5 Contingency Funds

### Effective Date

This change is effective immediately.

## Reserve Requirements

The 12-month cap for total reserve requirements for the Achiever Expanded has been eliminated. Reserve requirements are based on the sum of all loan characteristics (i.e. loan amount, first-time homebuyer, etc.) and are cumulative, with no maximum number of months.

### Updated Achiever Expanded Credit Guide Topic

- 10.5.1 Requirements for Each “Financed Property Owned”
- 10.5.3 Total Reserve Requirements

### Effective Date

This change is effective immediately.

## Credit Requirements

The following credit items for the Achiever Expanded have been updated.

- Minimum FICO Calculation for a sole borrower:
  - The qualifying credit score is the median score if three (3) credit bureau scores are reported. If two (2) credit bureau scores are reported, the qualifying credit score will be the lower score.
- Minimum FICO calculation when there is more than one (1) borrower:
  - The qualifying credit score is the median credit score of the primary wage earner. When earnings are equal among all borrowers, the higher qualifying credit score is utilized.
- Housing Payment History – The product guide now includes the housing payment history criteria.

### Updated Achiever Expanded Credit Guide Topic

- 11.1.5 Minimum FICO Calculation
- 11.2.1 Housing Payment History

### Effective Date

These changes are effective immediately.

## Asset Depletion

Asset depletion for the Achiever Expanded may now be a stand-alone income source or used to augment the income of a full documentation borrower.

- The number of required asset statements has been decreased to two (2) months.
- When used as a stand-alone income source:
  - DTI  $\leq$  45%
  - Purchase/Rate-Term Refinance:
    - Loan Amount  $<$  \$1,000,000 = LTV  $\leq$  80%
    - Loan Amount  $\geq$  \$1,000,000  $\leq$  \$1,500,000 = LTV  $\leq$  80% + three (3) months reserves
    - Loan Amount  $>$  \$1,500,000 = LTV  $\leq$  80% + six (6) months reserves
  - Cash-Out Refinance:
    - Loan Amount  $<$  \$1,000,000 = LTV  $\leq$  75% LTV
    - Loan Amount  $\geq$  \$1,000,000  $\leq$  \$1,500,000 = LTV  $\leq$  70% + three (3) months reserves
    - Loan Amount  $>$  \$1,500,000 = LTV  $\leq$  70% + six (6) months reserves

### Updated Achiever Expanded Credit Guide Topic

- 12.1 Income Documentation
- 12.11 Asset Depletion
  - 12.11.1 Documentation
  - 12.11.2 Calculation
  - 12.11.3 Restrictions

### Effective Date

These changes are effective immediately.

## Non-Sufficient Funds

The Non-Sufficient Funds section for the Achiever Expanded have been updated with the following requirements:

- For the bank statement program, maximum allowable non-sufficient funds (NSFs) are as follows:
  - Five (5) in the past 12 months provided zero (0) occurrences in the most recent three (3) months; or
  - Three (3) in the past 12 months provided one (1) occurrence in the most recent two (2) months.

### Updated Achiever Expanded Credit Guide Topic

- 12.12.2 Non-Sufficient Funds
- 12.14 Residual Income

### Effective Date

These changes are effective immediately.

## Residual Income

Residual income must be the lesser of \$2,500 or 51% pf the qualifying income.

**Updated Achiever Expanded Credit Guide Topic**

- 12.14 Residual Income

**Effective Date**

These changes are effective immediately.

**Maximum Cash Back (Cash-Out Refinance)**

The maximum cash back criteria has been updated as follows:

- > \$1,000,000 - \$3,000,000 = max 65% LTV
- > \$3,000,000 - \$5,000,000 = max 60% LTV

**Updated Achiever Expanded Credit Guide Topic**

- 13.4 Maximum Cash Back (Cash-Out Refinance)

**Effective Date**

This change is effective immediately.

As always, thank you for your continued business and partnership.