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Champion Prime Jumbo Updates:

The Champion Prime Jumbo Product Guidelines have been updated to include changes to the following:

- [Program Features](#)
- [Product Types](#)
- [Income Standards & Income-Based Assets](#)
- [Exceptions](#)
- [Max Exposure](#)
- [First-Time Homebuyer](#)
- [Ineligible Borrowers](#)
- [Interested Party Contributions \(IPCs\)](#)
- [Texas Home Equity](#)
- [Property Eligibility](#)
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- [Asset Requirements](#)
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- [Asset Depletion](#)
- [Non-Sufficient Funds](#)
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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 Champion Prime Jumbo 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 Champion Prime Jumbo guidelines have been updated with the following requirements:

- Loan limits have been increased to a maximum of \$5,000,000.
- The maximum DTI has been increased to 55% and DTI requirements are as follows. The stated reserves supersede any that are stated in the guide as requirements for the subject property.

Loan Amount	DTI	LTV	FICO	Reserves
≤ \$1,000,000	50% - 55%	≤ 85%	≥ 680	12 months
> \$1,000,000 ≤ \$2,000,000	50% - 55%	≤ 85%	≥ 700	12 months
> \$2,000,000	Max 45%			

Updated Champion Prime Jumbo Guide Topic

- 1.2 Prime Jumbo Program Features
- 1.8 Prime Jumbo Eligibility Matrix
- 3.5 Exposure
- 6.7 Loan Limit Maximum
- 11.20 Max Debt To Income Ratio (DTI)

Effective Date

These changes are effective immediately.

Product Types

The Champion Prime Jumbo now offers these additional products and terms:

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

Updated Champion Prime Jumbo Guide Topic

- 1.7 Prime Jumbo Product Types
- 6.2 ARM Qualifications

Effective Date

These changes are effective immediately.

Income Standards & Income-Based Assets

Income standards for the Champion Prime Jumbo have been updated with the following requirements.

- The 12 month Full Doc program:
 - \geq 700 FICO up to 95% LTV
 - 680 – 699 FICO up to 90% LTV
 - 660 – 679 FICO up to 85% LTV
- The Personal 12 Month Bank Statement program:
 - $<$ 720 FICO up to 80% LTV
- The Personal 24 Month Bank Statement program:
 - \geq 680 FICO up to 90% LTV
 - $<$ 680 FICO up to 85% LTV
- The Business 12 & 24 Month Bank Statement programs:
 - \geq 680 FICO up to 90% LTV
 - $<$ 680 FICO up to 85% LTV

Updated Champion Prime Jumbo Guide Topic

- 1.9 Prime Jumbo Income Standards & Income-Based Assets

Effective Date

These changes are effective immediately.

Exceptions

Exceptions to published guidelines for the Champion Prime Jumbo 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 Champion Prime Jumbo Guide Topic

- 1.10 Champion Prime 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:

- 12+ month rental history:
 - Now eligible for primary residence or second home.
 - 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% may have up to 300% payment shock when there are no gift funds.
- 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 Champion Prime Jumbo 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
- 10.5.4 Total Reserve Requirements

Effective Date

These changes are effective immediately.

Interested Party Contributions (IPCs)

Interested party contributions (IPCs) may not exceed 6% for LTV ≤ 90%, otherwise 3% max.

Updated Champion Prime Jumbo Guide Topic

- 4.3 Interested Party Contributions (IPCs)

Effective Date

This change is effective immediately.

Texas Home Equity

Texas 50(a)(6) and 50(a)(4) equity loans are now eligible for the Champion Prime Jumbo.

- 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 Champion Prime Jumbo 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 Champion Prime Jumbo 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.
- The minimum square footage for a 2-4 unit property is 400 square feet per unit.
- 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 are now eligible up to 80% LTV.
- 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 Champion Prime Jumbo Guide Topic

- 1.8 Prime Jumbo Eligibility Matrix
- 7.3 Construction to Perm
- 7.9 Minimum Square Footage
- 7.10 Mixed-Use Properties

- 7.11 Unique Properties
- 7.18 Ineligible Property Types
- 8.1 Standard Condominium Requirements
- 8.5 Florida Condominium
- 8.11 Condotels

Effective Date

These changes are effective immediately.

Escrow Holdback

The contingency funds requirement for an escrow holdback on a Champion Prime Jumbo 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 Champion Prime Jumbo Guide Topic

- 7.5.5 Contingency Funds

Effective Date

This change is effective immediately.

Asset Requirements

Asset requirements for the Champion Prime Jumbo product have been updated as follows.

- Gift funds are allowed with minimum 5% down payment from the borrower’s own seasoned funds up to a maximum 90% LTV.
- Restricted stocks are eligible for use as a down payment or reserves.
- Reserve requirements have increased and are as follows:
 - ≤ \$1,500,000 = six (6) month reserves; DTI ≥ 50% requires 12 months reserves.
 - > \$1,500,000 < \$3,000,000 = 12 months reserves.
 - ≥ \$3,000,000 = 18 months reserves.
- The 12-month cap for total reserve requirements for the Champion Prime Jumbo 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 Champion Prime Jumbo Guide Topic

- 10.1.5 Gift Funds
- 10.1.13 Non-vested or Restricted Stock, Bonds, and Mutual Funds
- 10.5.2 Requirements for Subject Property
- 10.5.4 Total Reserve Requirements

Effective Date

These changes are effective immediately.

Credit Requirements

The following credit items for the Champion Prime Jumbo 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.
- Payment History:
 - Borrower(s) must not have any 60+ late payments. This is inclusive of all tradeline types (housing, installment, revolving, etc.).
- Housing Payment History – The product guide now includes the housing payment history criteria.
- Minimum Tradelines:
 - It has been clarified that the minimum tradelines may be open or closed as long as there has been activity on each tradeline within the past 12 months.
- Charge-offs and Collections:
 - There must have been no collections or charge-offs filed in the most recent 24 months (medical collections are excluded).

Updated Champion Prime Jumbo Guide Topic

- 11.1.5 Minimum FICO Calculation
- 11.2 Payment History
- 11.3.1 Housing Payment History
- 11.19.1 Minimum Tradelines
- 11.19.4 Charge-offs and Collections

Effective Date

These changes are effective immediately.

Asset Depletion

Asset depletion for the Champion Prime Jumbo 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.
- The minimum FICO has been decreased to 660.
- 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 Champion Prime Jumbo Guide Topic

- 10.5.3 Requirements for Asset Depletion as a Stand-Alone Income Source

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

Effective Date

These changes are effective immediately.

Non-Sufficient Funds

The Non-Sufficient Funds section for the Champion Prime Jumbo 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 Champion Prime Jumbo Guide Topic

- 12.12.2 Non-Sufficient Funds

Effective Date

These changes are effective immediately.

Residual Income

Residual income requirements for the Champion Prime Jumbo have been updated as follows:

- Minimum \$3,000 when LTV \leq 90%; or
- Minimum \$4,000 when LTV > 90%.

Updated Champion Prime Jumbo Guide Topic

- 12.14 Residual Income

Effective Date

These changes are effective immediately.

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