

Champion Prime Jumbo Updates:

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

- [Eligibility Matrix](#)
- [First-Time Homebuyer Reserve Requirements](#)
- [Non-Arm's Length Transactions](#)
- [Interest Only Option](#)
- [Asset Documentation](#)
- [Requirements for Each "Financed Property Owned"](#)
- [Credit](#)
- [Minimum Tradelines](#)
- [Bank Statement Program](#)
- [Maximum Cash Back \(No Cash-Out Refinance\)](#)

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.

Eligibility Matrix

The Eligibility Matrix was updated to consolidate overlapping loan amounts in the Condotel, Mixed-Use & Unique Property matrix.

Updated Champion Prime Jumbo Guide Topic

- 1.8 Expanded Credit Eligibility Matrix

Effective Date

This change is effective immediately.

First-Time Homebuyer Reserve Requirements

The minimum reserve requirements for First-Time Home Buyers (FTHB) has been updated as follows:

- **FTHB with 12+ Month Rental History:** Six (6) month reserve requirement has been removed.
- **FTHB with <12 Month Rental History:** Reserves added based on length of rental history:
 - 1 ≤ 5 months = six (6) month additional reserves required
 - 6 ≤ 11 months = three (3) month additional reserves required
- **FTHB Rent-Free Borrower:** Six (6) month additional reserves required

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

Effective Date

This change is effective as of February 10th, 2020.

Non-Arm's Length Transactions

Clarification in bold was added to the following requirement:

Family-to family sales require a 12 month mortgage history for the seller's mortgage (bank statements showing the monies transferred from the borrower(s) account into the seller(s) account is acceptable). **Payment history must support loan is current with no derogatory history in the past 12 months.**

Updated Champion Prime Jumbo Guide Topic

- 4.7 Non-Arm's Length Transactions

Effective Date

This change is effective immediately.

Interest Only Option

The Interest Only section of the product guide was updated as follows:

- 95% LTV for 40 Year Interest Only
- 90% LTV for all other Interest Only
- Texas Equity Loan is ineligible

Updated Champion Prime Jumbo Guide Topic

- 1.9 Prime Jumbo Income Standards & Income-Based Assets

Effective Date

This change is effective immediately.

Asset Documentation

The verbiage in the requirement below was updated from "opening" to "average".

Large disparities between the current and **average** balances will require additional verification and/or supporting documentation.

Updated Champion Prime Jumbo Guide Topic

- 10.1 Asset Documentation

Effective Date

This change is effective immediately.

Requirements for Each “Financed Property Owned”

Clarification in bold was added to the following requirement:

Each “Financed Property Owned” requires one (1) month of reserves, using the **qualifying payment of the** subject property Principal, Interest, Taxes, Insurance, and Association Dues (PITIA).

Updated Achiever Expanded Credit Guide Topic

- 10.5.1 Requirements for Each “Financed Property Owned”

Effective Date

This change is effective immediately.

Credit

Clarification in bold was added to the following requirement:

A signed and dated Letter of Explanation (LOE) is required for all derogatory credit **in the past 24 months**.

Updated Champion Prime Jumbo Guide Topic

- 11 Credit

Effective Date

This change is effective immediately.

Minimum Tradelines

The following requirement was added to the Minimum Tradelines section:

A Verification of Rent (VOR) completed by a property management firm may be considered an acceptable tradeline. The length of rental verification (12 or 24 months) is dependent on the number of reporting active tradelines.

Updated Champion Prime Jumbo Guide Topic

- 11.19.1 Minimum Tradelines

Effective Date

This change is effective immediately.

Bank Statement Program

The requirement of “Assets being utilized must be owned solely by the applicant(s)” was removed from the Bank Statement section and added to the 12 and 24 Self-Employed Personal Bank Statement sections of the product guide.

Updated Champion Prime Jumbo Guide Topic

- 12.8 Bank Statement Program (requirement removed)

- 12.8.5.1 Self-Employed Personal Bank Statements (12 mo) Documentation
- 12.8.6.1 Self-Employed Personal Bank Statements (24 mo) Documentation

Effective Date

This change is effective immediately.

Maximum Cash Back (No Cash-Out Refinance)

The verbiage in the requirement below was updated from “greater” to “lesser”.

For a no cash-out transaction, the **lesser** of 1% of the loan amount or \$2,000 in cash back is permitted.

Updated Champion Prime Jumbo Guide Topic

- 13.3 Maximum Cash Back (No Cash-Out Refinance)

Effective Date

This change is effective immediately.

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