

## Lending Guide Announcement

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**IMPORTANT**

ClearPoint Funding is providing a detailed outline of most recent updates to:

- Conventional Lending Guide
  - FHA financing
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## 100 – Lending Guide

<b>Page 100-59</b>	<p><b><u>Rental Income</u></b></p> <p><b>When rental income applies to the current primary residence being converted to an investment property:</b></p> <ul style="list-style-type: none"> <li>■ 75% of the rental income as provided by an executed lease agreement may be used to offset the mortgage payment if there is documented equity of at least 30% in the said property as derived from a:             <ul style="list-style-type: none"> <li>○ Full 1004 interior/exterior appraisal if converting to an investment property</li> </ul> </li> </ul> <p><b>NOTE:</b> Appraisals for the converted property are not required to meet HVCCC because it is not the subject property.</p>
<b>Page 100-64</b>	
<b>Page 100-66</b>	<p><b><u>Self-Employed Verification of Employment</u></b></p> <p>Verification of employment or income must be provided by Mortgage Broker.</p> <ul style="list-style-type: none"> <li>▪ Within 30 days prior to the note date for all borrowers using self-employed income, ClearPoint Funding will independently verify employment via a verbal verification of employment.</li> </ul> <p><b>NOTE:</b> On-line searches and just using tax returns as proof of self-employment is not sufficient. Third party documentation is required, such as business license, regulatory agency, CPA letter, verification from business bureau.</p>
<b>Page 100-129</b>	<p><b><u>Ineligible Condos</u></b></p> <p>Condos with special assessments</p>

*Continued on next page*

## Lending Guide Announcement, Continued

### 200 – Conforming Product

<p><b>Page 200-17</b></p>	<p><b><u>Appraisal Requirements for Texas loans</u></b></p> <p>Certain Texas scenarios are <i>now eligible for limited appraisal forms</i> as noted in the DU/DO findings report; <u>note that the following scenarios will continue to require a full appraisal:</u></p> <ul style="list-style-type: none"> <li>▪ &gt;80.00% LTV</li> <li>▪ New Constructed Homes</li> <li>▪ Investment properties</li> </ul>
<p><b>Page 200-39</b></p>	<p><b><u>DU Refi Plus Appraisal Requirements for Texas loans</u></b></p> <p>Certain DU Refi Plus Texas scenarios are <i>now eligible for limited appraisal forms including PIWs</i> as noted in the DU/DO findings report; <u>note that the following scenarios will continue to require a full appraisal:</u></p> <ul style="list-style-type: none"> <li>▪ Investment properties</li> </ul> <p><b>NOTE:</b> Refer to Conventional Product Summary for complete details.</p>

### 300 – FHA Guidelines

<p><b>Page 300-41</b></p>	<p><b><u>Converting Existing Homes to Rentals (using Rental Income)</u></b></p> <ul style="list-style-type: none"> <li>▪ <b><u>Sufficient Equity in Vacated Property:</u></b> The homebuyer has a LTV ratio of 75% or less, as determined by a: <ul style="list-style-type: none"> <li>○ Full 1004 interior/exterior appraisal if converting to an investment property</li> </ul> </li> </ul>
<p><b>Page 300-42</b></p>	<p><b><u>Self-Employed Documentation</u></b></p> <p><b>NOTE:</b> On-line searches and just using tax returns as proof of self-employment is not sufficient. Third party documentation is required, such as business license, regulatory agency, CPA letter, verification from business bureau.</p>
<p><b>Page 300-96</b></p>	<p><b><u>Condos – Additional Documentation</u></b></p> <p>Confirm no Pending Special Assessment apply</p>

Thank you for your business and please do not hesitate to contact your ClearPoint Funding Account Executive with any questions.