

## Lending Guide Announcement

**IMPORTANT**

ClearPoint Funding is providing an outline of our most recent updates and guideline clarifications as detailed below.

### 100 – Conventional Lending Guide

Page 100-49

#### Disputed Credit Information

Regardless of DU/DO findings, the below will be required.

- ✓ DU does not take disputed tradelines into consideration in the credit analysis; therefore, the Underwriter must confirm the accuracy of the information.
  - If the tradeline does not belong to the borrower, or is not accurate, no further action is required; supporting documentation is required.
  - If the tradeline does belong to the borrower and is accurate, an updated credit report must be submitted to DU with the disputed designation removed so the information can be included in the DU analysis.
    - If an updated credit report is not available, then the Underwriter cannot rely on the DU recommendation and therefore the loan scenario is ineligible.
- ✓ If the disputed account is because of stolen or fraudulent use of the account, a credit report supplement should be obtained to verify the status.

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## Lending Guide Announcement, Continued

### 100 – Conventional Lending Guide

<b>Page 100-54 to 56</b>	<b><u>IRS 4506-T Section</u></b> Updated to account for the new tax year.
<b>Page 100-89</b>	<b><u>Retirement Accounts</u></b> <b>NOTE:</b> When retirement accounts only allow for withdrawal in connection with the Borrower's employment termination, retirement, death or <b>hardship cases</b> , the vested funds should not be considered as reserves.
<b>Page 100-113</b>	<b><u>Log Homes</u></b> True and sided log homes will be considered with ALL the requirements noted below: <ul style="list-style-type: none"> <li>✓ A minimum of 2 log home comparable sales must be provided (true log homes to true log homes; log siding compared to log siding homes).</li> <li>✓ Comparable sales square footage must be within 20% of the subject property.</li> <li>✓ Comparable sales provided must be of similar quality construction, design and have similar market appeal and amenities.</li> <li>✓ Standard adjustment limits apply to the comparable sales. The maximum Line Item adjustment may not exceed 10%, Net Adjustments may not exceed 15% and the Gross Adjustments may not exceed 25%.</li> <li>✓ Full interior/exterior appraisals required regardless of DU/DO recommendations.</li> </ul>
<b>Page 100-185</b>	<b><u>Subordinate Financing</u></b> <ul style="list-style-type: none"> <li>✓ If subordinate financing exists, the loan to value must be 5% lower than the maximum LTV allowed for that scenario.</li> </ul>

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## Lending Guide Announcement, Continued

### 900 – MI Appendix

<p><b>MGIC Page 900-1</b></p>	<p><b><u>Reserves</u></b> Per DU Approve/Eligible recommendations.</p> <p><b><u>DIT Ratio</u></b></p> <ul style="list-style-type: none"> <li>✓ 45% total DTI for purchase and rate term refinance transactions with FICO <math>\geq</math> 740, Primary Residence/<b>Second Homes</b>, FRM, 5/1 or 7/1 ARM, <b>non-restricted markets</b> only.</li> <li>✓ 41% for all other scenarios</li> </ul>
<p><b>MGIC Page 900-4</b></p>	<p><b><u>Restricted Markets</u></b></p> <p>The following are high level overlays for subject properties located within MGIC's Restricted Market designation:</p> <ul style="list-style-type: none"> <li>✓ MGIC defines Restricted Markets as subject properties located within the following states: <ul style="list-style-type: none"> <li>• Arizona</li> <li>• Florida</li> <li>• Nevada</li> </ul> </li> <li>✓ Primary Residence <ul style="list-style-type: none"> <li>• Minimum 720 credit score.</li> <li>• Purchases: Maximum 90% LTV for High Balance loans.</li> <li>• Rate Term Refi: Maximum 85.00% LTV for High Balance loans</li> </ul> </li> <li>✓ Second Home <ul style="list-style-type: none"> <li>• Minimum <b>720</b> credit score, purchase and <b>rate term refinance</b> transactions only.</li> </ul> </li> <li>✓ Maximum <b>95.00%</b> for condominium property types; Primary Residence only and not permitted for Florida.</li> <li>✓ <b>Attached housing and condominiums not permitted in Florida or the greater Las Vegas, Nevada market.</b></li> <li>✓ Construction to Perm not permitted</li> </ul>