

NEWSFLASH

Important information: Please read immediately



Date: 12/12/08

Topics in this newsflash include:

- **Reminder --- DU Version 7.1 effective Sat Dec 13—LTV'S REDUCED**

DU Version 7.1

As a reminder -- On Saturday, December 13, Fannie Mae will implement DU version 7.1 to support policy changes which will apply to all new loan submissions. PLEASE NOTE: LTV's on certain transactions are being lowered. Specifically in light of lower rates please be aware that **Cash Out refinances will be LOWERED to a max LTV of 85% with DU 7.1.** If you are currently speaking with borrowers regarding cash out refinances to 90% LTV—you MUST get that into DU 7.0 prior to Saturday Dec 13th or the max LTV will be 85%.

All loan DU 7.0 files underwritten according to the previous LTV/CLTV guidelines must **close no later than 1/31/09**, otherwise the loan must be resubmitted to DU 7.1 and the LTV reduction applied.

PRINCIPAL RESIDENCE				
# of Units	Transaction Type	DU 7.0	DU 7.1	
		LTV	LTV	
1-2	Cash Out	90%	85%	
3-4	Purchase/R & T refi	80%	75%	
SECOND HOME				
# of Units	Transaction Type	DU 7.0	DU 7.1	
		LTV	LTV	
1	Purchase	95%	90%	
1	Cash Out	80%	75%	
INVESTMENT				
# of Units	Transaction Type	DU 7.0	DU 7.1	
		LTV	LTV	
1-2	Cash Out/R&T refi	80%	75%	