

NEWSFLASH

Important information: Please read immediately



Date: 2/23/2009

Topics in this newsflash include:

- **FHA/VA Minimum FICO score**
- **FHA Refinance Maximum LTV's**

FHA/VA Minimum FICO score

Effective Monday Feb 23 for all new locks, extension requests or repriced loans the minimum FICO score for government loans (including streamline refinances) is **620** for all borrowers, regardless of AUS decision. (High balance loan sizes must meet additional loan score criteria as outlined in the loan program description)

A credit report **is now** required for FHA streamline refinances (both credit qualifying and non credit qualifying) to validate the score. In addition to the required FICO, the mortgage payment history must show no more than 0 X 30 in the last 12 months. If the loan is seasoned less than 12 months, provide evidence that the existing loan has no 30 day or greater mortgage lates since the inception of the loan, AND no 30 day or greater mortgage lates for any other first mortgage loans associated with the property and borrower within the most recent 12 months.

FHA/VA Refinance Changes

Effective Monday Feb 23 for all new locks, extension requests or repriced loans the following LTV/CLTV changes are required:

FHA LOAN:

- Cash Out Refinance – Maximum LTV allowed for cash out transactions is **85% LTV**. (95% option has been eliminated)
- Rate/Term Refinance – Maximum CLTV allowed for fully qualifying and documented rate/term refinances transactions is limited to 100% CLTV.

VA LOANS:

- Cash Out Refinance – Maximum LTV allowed for cash out transactions is 90%.
 - Rate/Term Refinance –Maximum CLTV allowed for fully qualifying and documented rate/term refinances transactions is limited to 90% CLTV.
 - Purchase – Maximum CLTV allowed is 100%.
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