

Monday, August 3, 2020

Bulletin #2020-AC-037

NOTICE TO ALL CUSTOMERS

Important Updates on Conventional and FHA Products

Conventional

Freddie Mac's LPA Doctor-Physician Loan Program

Effective immediately, FLCBank is no longer offering Freddie Mac's Doctor-Physician Loan Program.

FHA

Eligibility Policy for Borrowers with Mortgages in Forbearance

Effective immediately:

- Borrowers who requested forbearance but continued to make their scheduled mortgage payment on time will be eligible for a new purchase or refinance loan, assuming other standard requirements are met.
- If a verification of rent is required per the AUS or the loan program, the VOR, or landlord letter must confirm the rental payments are current with no missed payments.
- Borrowers in forbearance with missed payments, repayment plan, loan modification Trial Period Plan, Payment Deferral, or subject to another loss mitigation program are ineligible for financing until the loan is out of forbearance, repayment plan, loan modification Trial Period Plan, Payment Deferral, or loss mitigation program, AND 12 months of consecutive satisfactory mortgage payments are documented

VA IRRRL

VA IRRRL Update Circular 26-19-22 Change 1 (Clarification and Updates to Policy Guidance for IRRRLs)

A new Circular was posted by VA on Monday, July 27 with the purpose of clarifying guidance on the calculation of recoupment described last year in Circular 26-19-22 (Exhibit B); as a result, Exhibit B, has been rescinded in its entirety thus the calculation for recoupment requirement has been updated and is effective with IRRRL closing on or after July 25, 2020. All other requirements remain unchanged.

Statutory Recoupment Calculation:

The recoupment is calculated by dividing the sum of all incurred fees, expenses, and closing costs whether included in the loan amount or paid outside of closing excluding real estate taxes, prepaid expenses and the VA Funding fee, by the reduction of monthly principal and interest (PI) payment. Lender credits may be used to offset allowable fees and charges. Note: The proposed monthly PI payment to be used in the calculation is based on the total loan amount which includes any financed VA funding fee and pre-paid items.

Example: Recoupment Calculation Fees = Closing Costs including POC costs added to the loan amount divided by P & I reduction based on new total loan amount with VA Funding fee and Prepaid Expenses included \leq 36 months. FLCBank's VA IRRRL Recoupment-Comparison Certificate Disclosure has been updated with the new requirements and has been posted in the resource center. Note that it is not mandatory for customers to utilize FLCBank's form.

Resources: [Circular 26-19-22](#) , [Exhibit B](#) , [Circular 26-19-22 Change 1](#)

Please access the updated Temporary Policies Related to COVID-19 for complete requirements [click here](#).