

Thursday, February 04, 2021

Bulletin #2021-AC-003

NOTICE TO ALL CUSTOMERS

Important Policy Announcements

Additional Documentation Requirements for Self-Employed Borrowers – Temporary Policy Related to COVID-19 (All Products)

Effective for loan applications dated February 1, 2021, the Profit and Loss Statement must include a minimum of three (3) months look back period to ensure there is sufficient information to determine the extent to which a business has been impacted by COVID-19. This means that additional reporting of prior and current year details may be required depending on the date by which the loan application was taken.

Examples of look back period:

Loan Application Date	The profit and loss statement must report:	When unaudited, depository account statements include:
January 2021	January through December 2020	October, November, December 2020
February 2021	November and December 2020 and January 2021	November and December 2020 and January 2021
June 2021	January through May 2021	March, April, May 2021

Important: The additional requirements above are in addition the required A YTD profit and loss (P&L) statement (audited or unaudited) reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date not older than 60 days prior to the Note Date and other standard required documentation needed on Self-Employed Borrowers.

FHA Mortgages

FHA announced via FHA Info #21-04 the eligibility of applicants classified under the “Deferred Action for Childhood Arrivals” program (DACA) *who are legally permitted to work in the U.S.* as eligible to apply for FHA insured mortgages. The FHA Single Family Handbook 4000.1 will be updated at a later date.

FLC Bank accepts this change from FHA and is in the process of updating the FHA posted guidelines. The Employment Authorization Document (EAD) for DACA recipients will have the category code C33. The Borrower must provide documentation confirming the all of the following in addition to the standard requirement for all Borrower to be recipients of a valid Social Security number:

- Borrower has a current, verified status documented via an EAD (unexpired),
- Borrower meets continuity of income requirements,
- Borrower meets all other underwriting requirements of FNMA and FLCB guidelines.

USDA Mortgages

USDA announced proposed changes to chapters 2, 5, 8, 10, 12 and 15 of the USDA Handbook 3555-1 including updates to Appendix 7 with instructions and references to the “New GUS” and Redesigned URLA. FLC Bank is reviewing these proposed changes and will update guidelines in the next few days.

Below is USDA’s timeline for application submissions under the new GUS and Redesigned URLA:

- February 26, 2021: At the close of business on this day, Legacy GUS will no longer be available for editing or processing applications.
- February 27-28, 2021: All Single Family Housing Guaranteed Loan Program (SFHGLP) systems will be unavailable as the transition to the New GUS is accomplished.
- March 1, 2021: New GUS goes live. Existing applications in Legacy GUS that have not received a Conditional Commitment will require the application to be entered into New GUS

Please reference full product guidelines posted on the FLC Bank website at www.flcbmtg.com. All products are subject to credit and property approval. Program terms and conditions are subject to change without notice. Not all products are available in all states for all dollar amounts. Other restrictions and limitations apply. FLC Bank is a registered trademark of Florida Capital Bank, N.A. Member FDIC NMLS 790396 Equal Housing Lender. FLC Bank 10151 Deerwood Park Blvd. Bldg. 100, Suite 200, Jacksonville, FL 32256 1.866.295.0014

BULLETIN



WWW.FLCBMTG.COM

BROKER / WAREHOUSE LINES / NON-DELEGATED CORRESPONDENT

Expiration of Qualified Mortgages Points and Fees Cure Provision on January 10, 2021.

The CFPB did not extend the provision allowing lenders or assignees the option to cure the transactions where the total points and fees exceed the applicable limits effective with loans closing after January 10, 2021; as a result, any covered mortgage transaction must meet the QM Total Points and Fees test in order to be eligible for purchase at FLCBank. More details will be made available in a subsequent bulletin.

To access our most recently updated Temporary Policies Related to COVID-19 (version 27) please [click here.](#)

Please reference full product guidelines posted on the FLCBank website at www.flcbmtg.com. All products are subject to credit and property approval. Program terms and conditions are subject to change without notice. Not all products are available in all states for all dollar amounts. Other restrictions and limitations apply. FLCBank is a registered trademark of Florida Capital Bank, N.A. Member FDIC NMLS 790396 Equal Housing Lender. FLCBank 10151 Deerwood Park Blvd. Bldg. 100, Suite 200, Jacksonville, FL 32256 1.866.295.0014