

Friday, June 11, 2021  
Bulletin #2021-AC-025

## NOTICE TO ALL CUSTOMERS

### Removal of COVID-19 Overlays and Reminder of Flexibilities Ending

COVID-19 Overlay Removal		
Loan Program Overlays	Current	New
<b>Self-Employment Income and/or Reserves (Conventional/FHA/VA/USDA)</b>	<ul style="list-style-type: none"> <li>Verification of adequate income and/or liquid assets equal to 2 months to pay the new monthly housing expense and all other monthly liabilities in addition to any reserves required by the program.</li> </ul>	<ul style="list-style-type: none"> <li>Follow standard products' requirements</li> </ul>
<b>Rental Income Reserves (Conventional/VA/USDA)</b>	<ul style="list-style-type: none"> <li>Borrowers relying on the continued receipt of rental income to offset mortgage payments on the subject property or other REO will not be acceptable unless there are documented reserves of no less than six (6) months of full PITI on each property generating rental income to qualify.</li> </ul>	<ul style="list-style-type: none"> <li>Follow standard products' requirements</li> </ul>
<b>Documenting Income on FHA/USDA Streamline and IRRRL Refinances</b>	<ul style="list-style-type: none"> <li>Salaried/Wage Earner/Hourly Borrowers: A paystub with YTD wages dated within 60 days preceding the loan closing date must be provided.</li> <li>Self-Employed Borrowers: The Borrower must document adequate liquid assets equal to 2 months to pay the new monthly housing expense.</li> <li>Retirement/Social Security Borrowers: Evidence of retirement/social security income being received must be provided.</li> </ul>	<ul style="list-style-type: none"> <li>Follow standard products' requirements (documenting income is not required except on credit qualifying FHA/USDA Streamline and IRRRL refinances)</li> </ul>
<b>Required Certifications</b>	<ul style="list-style-type: none"> <li>The Loan Originator must provide the executed Business Continuity Certification Form (Attachment E) on each business owned by the Borrower(s).</li> <li>Continuance of employment and income via the Employment Certification (Attachment B) must be obtained.</li> <li>Borrower Certification Form (Attachment D) signed at closing attesting continued income/employment is required</li> </ul>	<ul style="list-style-type: none"> <li>These Certifications are no longer required to be provided</li> </ul>

Please reference full product guidelines posted on the FLCBank website at [www.flcbmtg.com](http://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

**Reminder for Flexibilities Coming to an End:**

- FHA, USDA, and VA Loans:
  - The temporary policy allowing the Verification of Employment to be completed by a supervisor or manager are ending for loans closing on or before June 30, 2021.
  - The temporary policy allowing the use of an Exterior-Only Appraisals inspections and repair inspection report flexibilities on USDA loans are ending for loans closing on or before June 30, 2021
- FHA's flexibility allowing the use of an Exterior-Only Appraisals inspections are ending for appraisals with an effective date on or before June 30, 2021 and repair inspection report flexibilities are ending for loans closing on or before June 30, 2021.

Important: After this date, a Full URAR 1004/1073 Appraisal Report (Interior and exterior inspection appraisal) must be provided on FHA and USDA loans. The Loan Originator is responsible for selecting/ordering the Full URAR 1004 Appraisal Report.

To access our most recently updated Temporary Policies Related to COVID-19 (version 39) please [click here](#).