

Friday, August 13, 2021

Bulletin #2021-AC-031

NOTICE TO ALL CUSTOMERS**Expiration of COVID-19 Temporary Credit Requirements**

Fannie Mae and Freddie Mac published the expiration of certain COVID-19 temporary policies related to credit underwriting requirements.

Temporary COVID-19 Credit Requirements Removed/Expired Conventional, FHA, VA and USDA		
Topic	Current COVID-19 Requirement	Reinstated Requirement
Age of Income and Asset Documents	Income and Asset documents Must be dated within 60 days of loan closing.	Follow standard policy. Documents must be dated within 120 days from loan closing.
Evidence of Liquidation of Stocks, Stock Options, Mutual Funds)	Evidence of liquidation is required when funds are needed for closing.	Evidence of liquidation is required when funds are needed for closing unless the combined asset value is $\geq 20\%$ of the amount needed for closing.
Reserves from Stocks, Stock Options, Mutual Funds	No more than 70% of the balance from these accounts can be used as reserves.	No reduction of balance is required

All other temporary requirements related to COVID-19 *remain in effect* without a defined expiration date.

- Self-employed Borrowers: Verification that the business is open and operating.
- Self-employed Borrowers: Requirements and guidance for 3 months of most recent business bank account statements, YTD Profit and Loss statement and Balance Sheet (if applicable) to be provided and be dated within 60 days of loan closing.
- Purchase and refinance eligibility requirements for Borrowers with existing Mortgages

These updates are effective immediately.

To access our most recently updated Temporary Policies Related to COVID-19 (version 41) please [click here](#).