

Monday, September 19, 2022

Bulletin #2022-AC-020

## NOTICE TO ALL CUSTOMERS

### Various Credit Updates

FLC Bank would like to provide updates to its credit guidelines:

1. Fannie Mae
  - Added Fannie Mae's definition of a "Relative" to the Power of Attorney section
  - Updated guidelines related to acceptable donors for personal gifts to include a non-relative that shares a familial relationship with the borrower, specifically a former relative, a relative of a domestic partner, and a godparent.
  - Updated guidelines regarding the transfer of gift funds with evidence of electronic transfer of funds from the donor's account to the borrower's account or to the closing agent represents acceptable documentation to meet the requirement for verifying donor availability of funds and transfer of gift funds.
2. Freddie Mac
  - Added to the Power of Attorney section is Freddie Mac's definition of a "familial relationship".
3. Second Mortgage HELOCs - Effective on Monday, September 19, 2022:
  - Maximum CLTV is lowered to 89.99% on Purchase and Rate and Term Refinances
  - Maximum CLTV is lowered to 85% on Cash Out
4. USDA Fiscal Year 2023
  - September 30 marks the end of Rural Housing Service Single Family Housing Guaranteed Loan Program 2022 Fiscal Year while October 1 marks the beginning of the 2023 Fiscal Year. It usually occurs at the beginning of each fiscal year, funding for the guaranteed loan program is not available for a short period of time (approximately two weeks). During the temporary lapse in funding, Rural Development - Rural Housing Service (RHS) will issue Conditional Commitments (Form RD 3555-18/18E) "subject to the availability of commitment authority" for purchase and refinance transactions so there should be no impact on our ability to close and fund these loans during this period of time.

To access our most recently updated Temporary Policies Related to COVID-19 (version 47) please [click here](#).

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).