

Tuesday, December 6, 2022 Bulletin #2022-B-021

## NOTICE TO ALL BROKERS

Important Changes to the Closed-End Second Mortgage and Second Mortgage HELOC Products

Reduction of CLTV/HCLTVs effective immediately affecting loans in the pipeline as well as new loan submissions:

## **Closed End Second Mortgage**

- Reduction of CLTV:
  - Purchase Transactions 89.99% and
  - All Refinance Transactions: Rate/Term and Cash-out 85%
- AVM requirements: The Clear Capital AVM report must reflect a "Confidence Score" > 80% or a Forecasted Standard Deviation (FSD) maximum of 20% (0.2)

## **Second Mortgage HELOCs**

- Reduction of the maximum HCLTV for all refinance transactions to 85%
- AVM requirements: The Clear Capital AVM report must reflect a "Confidence Score" > 80% or a Forecasted Standard Deviation (FSD) maximum of 20% (0.2)

If you have any questions, please contact your <u>Account Executive or Client Relations Representative.</u>

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

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