

Tuesday, December 6, 2022

Bulletin #2022-R-015

## NOTICE TO RETAIL LOAN ORIGINATOR

### 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 [Account Executive or Client Relations Representative](#).

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