

Wednesday, May 12, 2023

Bulletin #2023-B-007

NOTICE TO ALL BROKERS

Updates to the Closed-End Second Mortgages and HELOCs

Florida Capital Bank is updating certain requirements in the Closed-End Second and HELOC mortgage products.

The following changes are **effective immediately** regardless of loan lock status:

- Self-Employment - Verification that the borrower's business is active: Lenders can now follow AUS timing requirement (the verification must be completed within 120 days prior to loan closing).
- Appraisal/Property Valuation:
 - Reduced the validity age of AVMs from 120 days to 60 days from loan closing date.
 - Increased the AVM's Confidence Score from 80 to ≥ 90 and the forecasted standard deviation was reduced from 20% to a maximum deviation of 10%.
 - If the property is located in a PUD, an HOA statement confirming the monthly amount due along with evidence these fees are paid current is now required.

Please contact your [Account Executive or Client Relations Representative](#) if you have any questions.