

Tuesday, July 25, 2023

Bulletin #2023 BNDC-002

**NOTICE TO BROKERS AND NON-DELEGATED CORRESPONDENTS****Changes to Blue Jumbo Product**

FLC Bank is announcing updates to the Blue Jumbo Option 1 offer that are effective immediately. The changes are outlined in the table below in blue font.

Topic	Old Policy Blue Jumbo Option 1	New Revised Policy Blue Jumbo Option 1
ARM Rate	No prior information referencing the ARM floor	Added verbiage that the floor is equal to the margin
DU Validation Services	Allowed DU Validation services for income, employment, and assets	DU Validation services for income, employment and assets are no longer permitted
Derogatory Credit related to Loan Modification	Policy did not address waiting period for eligibility after a loan modification	At least seven (7) years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale, deed-in-lieu or modification measured from the date of completion to the date of application.
Assets	<ul style="list-style-type: none"><li>• Gifts of Equity are acceptable subject to borrower contribution requirements.</li><li>• Crypto/Virtual Currency are acceptable assets subject to additional requirements.</li></ul>	Gifts of Equity and Crypto/Virtual Currency are not allowed.
Title Vesting	Borrower(s) may hold title as follows: Individual Joint Tenants Tenants in Common	Only acceptable title vesting are as follows: <ul style="list-style-type: none"><li>• Individual</li><li>• Joint Tenants</li></ul>
Appraisal Guidelines Additional Valuation Product	A Desk Review Collateral Desktop Analysis (CDA) from Clear Capital is required when the CU risk score is > 2.5. If there is more than 1 appraisal due to the total combined loan amount, only 1 CDA is required on the appraisal being relied upon to underwrite the property.	A Desk Review Collateral Desktop Analysis (CDA) from Clear Capital is required when the CU risk score is > 2.5. A Desk Review Collateral Desktop Analysis (CDA) is not required for loans with two appraisals, regardless of the collateral underwriter score.

For more information, please access the guidelines posted in our resource center.

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