

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2025-17 | Guideline Updates

The following updates have been made to the guidelines. Visit <https://correspondent.springeq.com/> for the updated guidelines. Please contact your account executive with questions.

UW Guideline updates – *All updates are effective immediately and can be applied to existing loans in process*

- **Borrower Types** (page 8):
 - The guideline has been updated to replace “property” with “primary residence” in the following guideline to clarify the occupancy type to which it applies.
 - The updated guideline reads: Income from a co-borrower added after application can be used if there is proof they have resided in the primary residence for 6 months (proof includes but is not limited to utility bills, W2’s, government issued photo I.D., a bank statement, other financial statement and/or vehicle registration).
 - The following language has been added for additional clarification: *The 6-month residency documentation requirement does not apply to second homes or investment properties.*
- **Properties Titled in a Trust** (pages 13):
 - The guideline has been updated to replace “using” a with “closing in a trust, the” in the following guideline to clarify that the requirements for trust agreements apply specifically when the loan is closing in a trust.
 - The updated guideline reads: *When closing in a trust, the fully executed trust agreement must clearly identify all of the following:*
 - The guideline relating to closing in a trust and using a certification of trust has been updated with new language.
 - The updated guideline reads: *When closing in a trust and using a fully executed certification of trust, all requirements of using a fully executed trust agreement must be met and all of the following must be included in the certification of trust:*
- **Self-Employed** (page 41):
 - The following language has been removed: *If any of the Borrower’s on the loan transaction are a W-2 wage earner and a secondary business loss or losses have been established from documentation and/or information obtained during the underwriting process, the business loss or losses do not need to be deducted from the total qualifying income.*
 - The following language regarding secondary business losses for borrowers with non-self-employed income replaces the language referenced above that was removed: *Secondary business losses do not need to be considered when qualifying a borrower, provided that the borrower’s primary, non-self-employment income is sufficient to qualify for the loan.*
- **Master Insurance Policy for Condo** (page 59):

The following language has been added to define exceptions to the \$1,000,000 per occurrence general liability requirement for condo master insurance policies:

Unless otherwise stated, general liability insurance is required, with the following exceptions:

 - *Detached condo unit*
 - *Unit in a two- to four-unit condo project*
 - *Unit in a PUD project*

Matrix Updates – *All updates are effective immediately and can be applied to existing loans in process*

- **Appraisal Requirements** (page 2):
 - The HELOC - Eligible Appraisal Types table has been updated to permit the use of piggyback first lien appraisals in all cases **except in the following cases:**
 - Investment properties with maximum line amounts greater than or equal to \$250,000 (1st & 2nd lien)
 - 2-4 unit properties with maximum line amounts greater than or equal to \$250,000 (1st & 2nd lien)
- **Lien Positions & States** (pages 5 & 6):
 - We are pleased to advise that Correspondent loans secured by Nevada properties are now eligible.
 - “NV” has been removed from the ineligible states for all products and lien types
- **HELOC Annual Maintenance Fee** (page 6):
 - The following language has been added to clarify the duration of the fee: *The fee is charged for the life of the loan, not just during the draw period.*