CREDIT POLICY ANNOUNCEMENT

Bulletin- 2026-13 | Guideline Updates – 11/16/2026

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

UW Guide Updates – ***Effective immediately for all loans in progress and all new loans***

- **Multiple Properties Financed/Owned / Property Subject to Limitations (pages 10-11):**
  - The following language was added:
    - *Ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on the home)*
      - "*NO*" has been added next to the language above under the Subject To Limitations section
- **Title Documentation (pages 11-12):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      - For loan amounts less than or equal to $250,000 Spring EQ will utilize either a limited junior loan policy, an ALTA residential limited coverage policy, OR an owner & encumbrance report (property report). For loan amounts greater than $250,000 Spring EQ will utilize a full title policy.
    - Replaced with:
      - *2nd Lien HELOAN or HELOC - An owner and encumbrance property report is required for all loan or line amounts.*
      - *First Lien HELOC –*
        o Loan or Maximum Line amounts less than or equal to $250,000: Owner and Encumbrance Property Report
        o Loan or Maximum Line amounts greater than $250,000: Full Title is required
- **Housing Payment History (All Real Estate Owned) (page 19):**
  - The allowable date of last activity (DLA) for mortgage ratings has been extended from 45 to 90 calendar days when determining whether additional documentation is required.
- **Written Verification of Employment (WVOE) and Automated Verification of Income (VOI) (pages 34-35):**
  - The following language was added:
    NOTE: The WVOE or VOI expiration date is 90 days from the employer's reported date.
- **Verification of Employment (page 35):**
  - The following language and all associated language regarding verbal verification of wage income has been removed:
    - A verbal verification to confirm all Borrower's current employment status within 10 business days from the mortgage note date (or funding date for escrow states) for wage income is required.

  Verification of the existence of the Borrower's self-employed business is still required
  - The timeframe for accepting a military leave and earnings statement in lieu of a verbal verification of employment has been expanded from 30 to 60 calendar days.
- **Valuation Methods (page 54):**
  - The following language was added:
    - *Valuation hierarchy, ordered from the most comprehensive to the least*
      • Full Interior Appraisal
      • Exterior Drive-By Appraisal
      • Automated Valuation Model (AVM)
    - *When multiple valuation methods are obtained, the value used will be determined by the most recent and/or more comprehensive method.*
- **Full Interior Appraisal (page 54):**
  - The language has been updated, as shown in bolded italics below to allow the use of 3.6 appraisal forms.
    - Previous language:
      A Full Interior Appraisal (1004/1025/1073) is completed by a licensed appraiser who must access the property's interior and exterior for a complete property evaluation.
    - The updated guideline language reads:
      A Full Interior Appraisal (***3.6/***1004/1025/1073) is completed by a licensed appraiser who must access the property's interior and exterior for a complete property evaluation.
  - The following language was added:
    A 1004D is required to recertify the value of a full interior appraisal that is older than 60 days.
- **Prior Use Appraisal (page 55):**
  - This topic and all supporting language was added to define a prior use appraisal, clarify when it is acceptable or unacceptable, and to outline the requirements including the use of 3.6 appraisal forms.
- **Automated Valuation Model (AVM) (page 55):**
  - The FSD score changed from 0.15 to 0.20
- **Desktop Review (page 56):**
  - The language was updated, as shown in bolded italics below
    - Previous language:
      The Desktop Review is performed by a licensed appraiser to determine that the value conclusion of the appraisal is reasonable and adequately supported.
    - The updated guideline language reads:
      The Desktop Review is performed by a licensed appraiser to determine that the value conclusion of the ***prior use*** appraisal is reasonable and adequately supported.

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- **Homeowners Insurance (page 59):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      The subject property must be covered by a hazard insurance policy meeting all Fannie Mae requirements.
    - Replaced with:
      The homeowner's declarations page is not required unless the first mortgage does not escrow.

      In cases where it is determined that the first mortgage does not escrow for homeowners' insurance, the homeowners' insurance declaration page is required. The annual insurance premium must be included in the borrower's debt-to-income (DTI) ratio.

      The declaration page must include:
      - *At least one property owner listed as the insured*
      - *The subject property address*
      - *The policy effective dates*
      - *The total annual premium*

      1st Lien HELOC's-
      - *The existing coverage amount must be equal to the lesser of the following:*
        - *100% of the insurable value of the improvements, as established by the property insurer; OR*
        - *The "Total Estimate of Cost-New" amount shown in the cost approach section of the full appraisal is lower than or equal to the coverage amount*

      Lender-placed insurance is not permitted.

      Homeowners Insurance policies are good through disbursement.
- **Mortgagee Clause (page 60):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      The mortgagee clause is only required to show on homeowners and/or flood insurance policies when:
      • The maximum line or loan amount is greater than or equal to $250,000, regardless of whether the current first lien holder escrows OR
      • The maximum line or loan amount is less than $250,000 and the first lien holder does not escrow
      NOTE: The mortgagee clause is not required to show on master insurance polices
    - Replaced with:
      The mortgagee clause is not required.

Matrix Updates *- **Effective immediately for all loans in progress and all new loans***

The Delegated and Non-Delegated matrices have been merged into a single matrix. Please discontinue use of the individual matrices.

- **Appraisal Requirements (pages 2-3):**
  - The FSD score changed from 0.15 to 0.20
  - The following language was added:
    Valuation hierarchy, ordered from the most comprehensive to the least
    • *Full Interior Appraisal*
    • *Exterior Drive-By Appraisal*
    • *Automated Valuation Model (AVM)*
    When multiple valuation methods are obtained, the value used will be determined by the most recent and/or more comprehensive method.
  - The following language has been updated, as shown in bolded italics below to allow the use of 3.6 appraisal forms.
    - Previous language:
      Current appraisal provided must be on form 1004 (Single family), 1025 (multi-family), or 1073 (Condo)
    - The updated guideline language reads:
      Current appraisal provided must be on form ***3.6,*** 1004 (Single family), 1025 (multi-family), or 1073 (Condo)
  - The following language was added:
    Prior Use Appraisals are not acceptable once a valuation method has been received.
- **Value Seasoning (page 3):**
  - The following language has been updated, as shown in bolded italics below.
    - Previous language:
      0-6 Months – Must use the lower of the value from the earliest date when the current title holder(s) obtained title
    - The updated guideline language reads:
      0-6 Months – Must use the lower of the value from the earliest date when the current title holder(s) obtained title ***OR the appraised value***

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- **Title Insurance (page 5):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      - Loan or Maximum Line amounts less than or equal to $250,000: Either a Limited Junior Loan Policy, an ALTA Residential Limited Coverage Policy, OR an Owner and Encumbrance Property Report
      - Loan or Maximum Line amounts greater than $250,000: Full Title is required
    - Replaced with:
      - *2nd Lien HELOAN or HELOC - An owner and encumbrance property report is required for all loan or line amounts.*
      - *First Lien HELOC –*
        - *Loan or Maximum Line amounts less than or equal to $250,000: Owner and Encumbrance Property Report*
        - *Loan or Maximum Line amounts greater than $250,000: Full Title is required*
- **Homeowners Insurance (page 5):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      The subject property must be covered by a hazard insurance policy meeting all Fannie Mae requirements.
    - Replaced with:
      - *The homeowner's declarations page is not required unless the first mortgage does not escrow.*
      - *In cases where it is determined that the first mortgage does not escrow for homeowners' insurance, the homeowners' insurance declaration page is required. The annual insurance premium must be included in the borrower's debt-to-income (DTI) ratio.*
        - *The declaration page must include:*
          - *At least one property owner listed as the insured*
          - *The subject property address*
          - The policy effective dates
          - The total annual premium
      - *1st Lien HELOC's-*
        - *The existing coverage amount must be equal to the lesser of the following:*
          - *100% of the insurable value of the improvements, as established by the property insurer; OR*
          - *The "Total Estimate of Cost-New" amount shown in the cost approach section of the full appraisal is lower than or equal to the coverage amount*
      - *Lender-placed insurance is not permitted.*
      - *Homeowners Insurance policies are good through disbursement.*
- **Mortgagee Clause (page 5):**
  - The language has been updated, as shown in italics below.
    - Language removed:
      - Shellpoint Mortgage Servicing ISAOA/ATIMA P.O. Box 7050 Troy, MI 48007-7050
        NOTE: The seller listed as the loss payee is acceptable. Upon purchase by Spring EQ, the Seller must immediately send an endorsement notice to the applicable insurance agents / companies requesting that the insurance policy be updated to show the SLS mortgagee clause above
    - Replaced with:
      - *The mortgagee clause is not required*
- **State Specific Restrictions (page 6):**
  - The following language was removed:
    West Virginia (All products) - Loans that refinance an existing mortgage closed within the past 24 months are ineligible.

Texas Lending Matrices

- **Terms (page 7):**
  - The language was updated, as shown in bolded italics below.
    - Previous language:
      Stand-Alone Second Liens
    - The updated guideline language reads:
      First lien HELOCS and Stand-Alone Second Liens