



Announcement 2018 - 09

Planet Home Lending Policy Updates

Planet Home Lending is pleased to announce the following policy changes to Correspondent guidelines.

Previous Policy	Current Policy
Property Flips	
<p>Planet Home Lending prior approval required on properties re-sold ≤ 90 days from the acquisition. Property flips are subject to:</p> <ul style="list-style-type: none"> Appraisal must support any value increases. Additional documentation may be required and a desk review or second appraisal may be required at underwriter discretion. Borrower has an excellent credit history, employment history, savings pattern, etc. 	<p>PHL’s Property Flip policy has been revised for conventional flip transactions, no longer requiring a pre-approval on loans where the property has been transferred within the last 90 days from acquisition. This guideline revision applies only to Conventional loans.</p>
4506-T	
<ul style="list-style-type: none"> All borrowers must sign 4506-T prior to loan closing. Tax transcripts required for all qualifying income sources. If income from IRS Form 1120/1120S or IRS Form 1065 was used for qualifying and the business income is not reported on the borrower’s personal tax return, the 1120/1120S or 1065 tax transcripts (as applicable), in addition to the 1040 transcript, will be required. If the TRV reveals “C” or “E” losses and/or unreimbursed expenses, 2 years of tax transcripts and 1040s will be required regardless of DU Findings. 4506-T results must be validated against the income documentation. 	<p>Effective immediately, PHL is removing all transcript overlays and will follow Fannie Mae, Freddie Mac, FHA, VA and USDA guidelines.</p> <p>Sellers are required to provide a completed IRS Form 4506-T signed at closing when transcripts are not used to validate income prior to closing.</p> <p>Note: Transcripts, regardless of loan product, may be required at underwriter discretion.</p> <p>Exclusions Tax transcripts are required for all qualifying income sources for Prime Jumbo loans.</p>
Mortgage Credit Certificate (MCC)	
<p>Transactions using Mortgage Credit Certificates (MCC) are ineligible.</p>	<p>Where previously ineligible, PHL will allow MCC’s on a case basis and with the approval of the PHL Credit Risk Officer.</p> <p>MCC’s (Mortgage Credit Certificates) are state-funded programs providing lower-income borrowers tax credits on their federal returns if they qualify, and apply for the program. For each loan involving an MCC, the Sellers must comply with all requirements of the MCCs issuing authority including all required reporting to the IRS.</p>

All PHL documentation will be updated as applicable.

Please distribute this information to the appropriate individuals within your organization.

If you have any questions, please contact your Regional Sales Manager.