

Announcement 2018-13

Planet Home Lending Recent Policy Changes

Planet Home Lending is aligning with the recent Agency announcements. The announcements are summarized below with a link to the Agency's full announcement.

Agency	Summary	Effective Date	Agency Announcement
Fannie Mae	<p>Policy on Premium Pricing was clarified:</p> <ul style="list-style-type: none"> • Cannot be used for down payment or reserves • Is not an Interested Party Contribution • Community Seconds cannot be funded through the first lien, including premium pricing 	Immediately	Sel1710
Fannie Mae	<p>A Frozen Credit Report is still acceptable as long as:</p> <ul style="list-style-type: none"> • Credit Data is available from two repositories • A credit score is obtained from at least one of those two repositories • The Lender requested an in-file tri-merged report 	Immediately	Sel1710
Freddie Mac	<p>Freddie Mac recently updated their requirements regarding calculation of Debt to Income ratio (DTI). The definition of Contingent Liabilities has been expanded.</p>	Immediately	Bul 17-23
Fannie Mae	<p>Mortgage Paid by Others</p> <p>With this update, we are clarifying that when a borrower is obligated on a mortgage, but another party has been making the mortgage payments.</p> <ul style="list-style-type: none"> • The lender may exclude the full monthly housing expense from the DTI ratio, provided the borrower is not using rental income from the applicable property to qualify; that is, the PITIA may be excluded and not just the principal and interest payment. • The mortgaged property must still be included in the borrower's multiple financed property count and the unpaid principal balance for the mortgage must still be included in the calculation of reserves for multiple financed properties. 	Immediately	Sel1709
Fannie Mae	<p>Minor Litigation in Projects</p> <p>Eligible minor litigation criteria has been expanded to include:</p> <ul style="list-style-type: none"> • The HOA is the plaintiff • Damages are less than 10% of funded reserves • Localized damage that does not impact the overall safety of the project 	Immediately	Sel1801

Fannie Mae	Detached Condo Projects: <ul style="list-style-type: none">• Project Review is no longer required for detached Condos• Detached Condos require Special Feature Code (SFC) 588, and Project Code V	Immediately	Sel1801
USDA	The proposed ineligible maps for USDA are being updated, effective June 4, 2018.	6/4/2018	USDA 3.16.18

All Planet Home Lending documentation will be updated to reflect those changes as applicable.

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