

Announcement 2018 - 35

Planet Home Lending Policy Notifications

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
Freddie Mac	<p>A Lender Credit cannot exceed the Borrower Closing Costs. Lenders are to apply any excess closing costs as a Principal Reduction.</p> <ul style="list-style-type: none"> Lender Credit must be derived from an increase in the interest rate (i.e., premium pricing) or be funded directly by the Lender The lender credit must not require repayment Lender must not use funds from a third party to provide a lender credit 	Immediate	BUL 2018-12
Freddie Mac	<p>Requirements regarding Leasehold Estates have been streamlined. The Freddie Mac Selling Guide has been updated, to include:</p> <ul style="list-style-type: none"> No longer requiring Guide Form 461, <i>Ground Lease Analysis</i>, to be maintained in the Mortgage file, resulting in the form being deleted from the Selling Guide Removing some elements of the Seller's review of the lease provisions for determining increases in the basic rents and amounts due under the lease such as taxes, insurance and utilities, and use fees and operating expenses Focusing on lease provisions commonly required in the industry, and removing those terms that apply to leasehold ownership situations that are more unique due to lack of standardization of leasehold estate lease provisions 	Immediate	BUL 2018-12
Freddie Mac	<p>Previous guidance regarding mortgage debt was, a contingent liability may be excluded from the Borrower's monthly debt payment-to-income ratio if it meets certain requirements and the Lender confirms the Borrower is not on the title for the mortgaged property. Additionally, debt that has been assigned to another by court order, such as divorce decree, may be excluded from the Borrower's monthly debt payment-to-income ratio when the Lender documents the court order and the transfer of title.</p> <p>Freddie Mac's new guidance is, Lenders are no longer required to document:</p> <ul style="list-style-type: none"> That the Borrower is not on the title for the mortgaged property The transfer of title of the mortgaged property 	Immediate	BUL 2018-12

Freddie Mac	Freddie Mac is updating the Selling Guide to allow an alternative equivalent form to be included in the Mortgage file in lieu of Form 1077 / 1008, the Uniform Underwriting and Transmittal Summary. Planet Home Lending continues to require a copy of the Form 1077 / 1008 in loan files submitted for purchase. Planet is not accepting alternative equivalent forms.	Immediate	BUL 2018-12
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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.