

## Announcement 2018 – 46

### 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         |
|-------------|---|----------------|-----------------------------|
| Freddie Mac | The calculation method for student loans in deferment has been updated. The new requirement, which can be implemented immediately is: <ul style="list-style-type: none"> <li>• If the monthly payment amount is reported on the credit report, and is greater than zero, use that amount</li> <li>• If the monthly payment amount reported on the credit report is zero, use .5% of the outstanding balance, as reported on the credit report</li> <li>• Loan Product Advisor feedback messages will not be updated until 11/1/18, but the change can be implemented immediately</li> </ul> | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | Requirements related to a "No Cash Out" refinance have been updated. <ul style="list-style-type: none"> <li>• The new requirement permits cash back to the borrower up to <u>the greater of</u> 1% of the mortgage amount or \$2,000.</li> <li>• The new requirement can be implemented immediately, and is required for settlement dates on or after 10/27/18.</li> </ul>  | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | The required time frame for evaluating inquiries on the credit report has been reduced from 120 days to 90 days.  | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | Freddie Mac no longer requires Form 71, (Market Conditions Addendum Report) be provided with all appraisal reports.   | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | Condo Project Insurance requirements have been updated regarding property, flood, liability and fidelity insurance. Please refer to the attached link for the full details from Freddie Mac.  | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | The Condominium HOA policy deductible can now be greater than 5% if it is due to a per unit deductible for named perils specific to a geographic area, with an acceptable HO-6 policy.  | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | Freddie Mac specified that the value for a newly constructed property can be determined using multiple contracts (e.g. the purchase agreement and a separate agreement for a swimming pool).  | Immediate      | <a href="#">BUL 2018-13</a> |
| Freddie Mac | Freddie Mac clarified that a picture of a document MAY be provided by the borrower for verification of income, employment and assets.   | Immediate      | <a href="#">BUL 2018-13</a> |

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|-------------|--|-----------|-----------------------------|
| Freddie Mac | As announced in Freddie Mac Bulletin 2018-12, Freddie Mac allows an alternate equivalent form in lieu of the Form 1077 (Uniform Underwriting and Transmittal Summary) and have updated their Selling Guide accordingly.<br><br><b>As a reminder, Planet continues to require the Uniform Underwriting and Transmittal Summary Form with every submission.</b>  | Immediate | <a href="#">BUL 2018-13</a> |
| FHA         | As of September 4, 2018, FHA is allowing damage inspections to be completed related to the FEMA declared disaster stemming from the Kilauea Volcanic eruption, despite FEMA not having closed the incident period.   | Immediate | <a href="#">FHA #18-38</a>  |
| Fannie Mae  | The names of the Property Inspection Waiver (PIW) and Property Fieldwork Waiver (PFW) have been updated to "Appraisal Waiver" throughout the Fannie Mae Selling Guide.<br>The Guidelines regarding use of the Appraisal Waivers has not changed, but you will see the new names in the AUS Feedback Certificate.   | Immediate | <a href="#">SEL 2018-07</a> |
| Fannie Mae  | The Fannie Mae Selling Guide has been updated to reflect: <ul style="list-style-type: none"> <li>• Two to four unit condo projects do not require a project review.</li> <li>• Fidelity / crime coverage is not required for projects that meet the criteria for a waiver of project review.</li> <li>• The new requirement can be implemented immediately, and are required as of January 1, 2019.</li> </ul> | Immediate | <a href="#">SEL 2018-07</a> |

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.