

General Underwriting Guidelines Updated

Reunion Mortgage's *General Underwriting Guidelines* have been updated to be more user-friendly, with a comprehensive Table of Contents and links. The guideline changes are as follows:

Maximum Exposure/Multiple Loans

- A borrower who holds a Limited Partnership interest in an organized Limited Partnership that has been formed for the purpose of real estate investment or development, or is a General Partner who has personal liability (obligated on the Note) must take into consideration all properties owned and financed by that partnership. Partnership returns may be required to determine the number of properties owned by the partnership.

Credit

- The landlord rating section has been updated to allow direct ratings. A reference to property management companies has been removed.
- Pre-foreclosure / Short Sale
 - Agency Loans: A pre-foreclosure sale or short payoff involves the sale of the property by the borrower to a third party for less than the amount owed to satisfy the delinquent or non-delinquent mortgage, as agreed to by the lender, investor, and mortgage insurer. A minimum of four years must have elapsed since the sale of the property and payoff of the loan. Final HUD1 may be required for the sale of any property after 1/1/08.
- Contingent Liability now requires a copy of the Note verifying that the borrower is not solely obligated, and reflecting the other party as a joint debtor

Income

- The maximum age of income for documents is 90 days. The age of the document is measured from the date of the document to the date the Note is signed.
- Two years of 1040s may be required, depending on income sources
- Reunion Mortgage verifies all income by processing the 4506-T and validating two years of tax returns for each borrower

Assets

- Only 60% of the vested value for retirement accounts may be used as reserves (reduced from 70%)
- Only 70% of the value for Stocks, Bonds and Mutual Funds may be used as reserves (reduced from 100%)
- Stock options cannot be used as reserves
- Stock in a privately-held corporation cannot be used for reserves

Property

- Texas Section Cash-Out 50(a)(6) are not eligible on rural properties

Click to view the updated [General Underwriting Guidelines](#), with all changes highlighted in **red type**.

If you have any questions, please contact your Account Executive or local branch.