

General Underwriting and Condo Guideline Changes

Reunion Mortgage has extensive changes to the *General Underwriting Guidelines* and the *Condo and PUD Guidelines*, effective immediately.

General Underwriting Guidelines

Below are the most significant changes:

Age of Documents

- Income & asset maximum reduced from 120 to 90 days to the date of the Note
- Appraisal update of value needed if more than 90 days to the date of the Note (was 60 days)

Debt Payoff

Revolving: The payoff of revolving debts is permitted. If any portion of the loan proceeds is being used to pay off debts for qualification purposes, the underwriter must count a minimum \$10 per month payment for revolving debts and include these debts in the total debt ratio.

Assets

Sourcing and Seasoning of Down Payment

Premium pricing may be allowed and can be used to cover certain closing costs and prepaid items depending on the loan purpose. It is not considered a concession; therefore, it is not included in the amount subject to contribution limitations.

Reserves

Regardless of DU asset requirements, the following reserves are required:

- Investment Property and Second Home: Other financed properties:
 - 2 months on each other financed property (was 6 months when using rental income to qualify)
 - The amount of required reserves must be subtracted from the borrower's liquid assets prior to submitting the loan to DU

FHA Requirements for keeping primary residence

Rental income from current residence may only be considered in qualifying when the borrower is relocating with a new employer or being transferred by their current employer to an area that is not within a reasonable commuting distance. In these cases, rental income from their current primary residence may be considered.

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

Condo and PUD Guidelines

The [Condo and PUD Guidelines](#) have been updated to reflect all current Fannie Mae, FHA and VA requirements:

- Type U has been deleted (FHA approved condo)
- Type V has been added (DU Refi Plus/HomePath Mortgage)
- Additional sections for FHA and VA condos have been added

Three new forms have been added to the website on the *Forms* page: [Conventional HOA Certification for CPM Projects](#), [Conventional HOA Certification for Limited Review Projects](#), and [FHA HOA Certification](#).

Please contact your Account Executive or branch with questions.