



W10-16

ISSUE DATE 6/18/10

EFFECTIVE 6/18/10

General Underwriting Guidelines Updated

Reunion Mortgage has updated our *General Underwriting Guidelines*, effective immediately.

Credit

- New section added for *Major Derogatory Credit*
 - clarification about requirements for borrowers with prior pre-foreclosure, short sale or deed-in-lieu
 - requirements for re-establishing credit
- Consumer Credit Counseling guidelines
- Debt Payoff / Consolidation – not eligible on Texas 50(a)(6) transactions
- Inquiries – LOE must address each inquiry specifically – general explanation is not acceptable

Ratios/Qualifying

- Conventional 3/1 and 5/1 ARMs must qualify at Note Rate plus 2%
NOTE: Loans that are not locked and approved must be re-underwritten at the new guideline (Note Rate plus 2%)

Income

- Salaried borrower requires the most recent year's W-2
- Handwritten paystubs require a copy of the payroll ledger or other company record signed by the appropriate company representative

Assets

- Business funds can be used if the borrower is a 100% owner of a Schedule C (sole proprietor) business

Occupancy

- A new section has been added for *Retaining Current Residence* for VA loans

The *Government Loan* section has also been removed.

Click here to view the updated [General Underwriting Guidelines](#), which have been posted to the website.

Please contact your Account Executive or branch with questions.