



Your Easiest Path
to Homeownership™

Guide Announcement

Issue Date 05/17/19

Effective Date As Noted

GA 2019-010A

FHA Low FICO and VA Handbook Updates

Purpose

This announcement includes the following topic:

- ✓ FHA Low FICO requirement additions/updates
 - ✓ VA Handbook Updates
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FHA Low FICO 580-619

Please see *Government Product Suite*, “Government FICO 580-619” section for **all** requirements.

The following requirement additions/updates are **effective with registrations taken on and after June 1, 2019**:

- ✓ Maximum ratio 45%;
 - ✓ **Max CLTV 96.5% (for FHA purchase only)**
 - ✓ 1 unit only
 - ✓ Must have an AUS Approval/Accept
 - ✓ Borrower must meet the loan MRI of 3.5% using their own funds (gift funds are acceptable);
 - FHLB funds may not be used towards the 3.5%, but can be applied after.
 - ✓ FHLB is the only down payment assistance program allowed;
 - ✓ MCC may not be used in qualification;
 - ✓ Rent must be verified.
 - If Borrower does not pay rent, the AUS must reflect \$0 as rent payment to show payment shock and determine an accurate decision.
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GA-2019-010

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Page 1 of 3





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FHA Low FICO and VA Handbook Updates, Continued

VA Handbook Updates

VA has announced the publication and effective dates of the below revised chapters of [VA Pamphlet 26-7 \(VA Lender Handbook\)](#). See the following table for changes and effective dates (in order by effective date):

Change and Chapter	Effective Date
Change 23: Chapter 1, Lender Approval Guidelines	February 1, 2019
Change 24: Chapter 11, Appraisal Report	May 23, 2019
Change 25: Chapter 4, Credit Underwriting	May 23, 2019
*Change 26: Chapter 10, Appraisal Process	June 9, 2019
*Change 27: Chapter 7, Loans Requiring Special Underwriting, Guaranty and Other Considerations	June 9, 2019
*Change 28: Chapter 2, Veteran's Eligibility and Entitlement	June 26, 2019
*Change 29: Chapter 12, Minimum Property Requirements	June 26, 2019
*Change 30: Chapter 5, How to Process VA Loans and Submit to VA	June 30, 2019

*Word docs; no links; Scroll to bottom of [VA Pamphlet 26-7](#) page and click on specific "Change" square.

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Questions Please contact your Account Executive with any questions

GA-2019-010

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Page 3 of 3

