

TOWNE MORTGAGE COMPANY

BULLETIN

TO: Our Valued Clients

DATE: July 5, 2017

SUBJECT: FANNIE MAE DU VERSION 10

BULLETIN: 17-06

***** IMPORTANT NOTICE *****

We are pleased to announce that Fannie Mae will implement DU Version 10.1 which include some positive changes and will allow approvals on more loans. The implementation will take place the weekend of July 29th, 2017. **Loans must be run through after that weekend to take advantage of the enhancements.**

Below are some of the changes the update will include:

- Maximum DTI will be adjusted to allow for maximum DTI of 50% on many cases.
- DU findings will now indicate when disputes must be addressed. Medical disputes will never need to be addressed
- LTVs on ARM loans will be increased to 95%
- The number of self-employed borrowers with only one year of personal and business tax returns required will increase.
- Student loan cash out refinance enhancement will be integrated into DU and messages will fire when only first mortgage and student loans are being paid off with the cash out refinance. Message will remind that cash back at closing is lesser of 2% or \$2,000.00
- Fannie will allow loans to be delivered prior to start of employment for borrowers who have a contract to start a job, but will not begin prior to closing. ***Additional requirements for this policy will be forthcoming in a Selling Guide release from Fannie Mae.***
- Multiple Financed properties: The dollar amount of reserves required will be shown on the DU findings.
- Site Condos: Message will fire that project review is not required on Site Condos
- Timeshares: Timeshares will be treated as installment loans.
- Homebuyer Education messages will be updated to take into account information provided in the Education Completion indicator field. This is applicable to Home Ready loans.

Attached is a copy of the full release notes.

