

Announcement

Attention All Correspondent Lending Sellers:
CA 18-049 Tax Transcript and Second Appraisal Updates

May 30, 2018

Subject Summary	Freedom Mortgage Corporation Correspondent Lending, Specialty Lending and Renovation Lending are issuing this communication to update Sellers on policy changes associated with tax transcript and second appraisal requirements.
Effective Date	Effective immediately.
Tax Transcript Update	<p>The Freedom Mortgage Corporation tax transcript policy will be updated to specifically address:</p> <ul style="list-style-type: none"> • Non-taxable income <ul style="list-style-type: none"> ○ Non-taxable is not required to be grossed-up for qualification purposes. When non-taxable income is not grossed-up, tax transcripts are not required for non-taxable income. ○ When non-taxable income is grossed-up for qualification purposes, tax transcripts, or other acceptable documentation (i.e. awards letter, policy agreements, account statements, 1099s, etc.) are required. • Retired Borrowers <ul style="list-style-type: none"> ○ In cases where the Borrower is not required to file a tax return, the tax transcript(s) is still required for confirmation. ○ If “No Results” feedback is received, or an error is returned indicating the Borrower has not filed in years, provide a copy of the feedback in the file with supporting documentation.
Second Appraisal Update	<p>When an appraiser is on the FMC Exclusionary List, a validation appraisal from an appraiser not on FMC Exclusionary List must be obtained. This second appraisal requirement is being updated as follows:</p> <ul style="list-style-type: none"> • The most reliable appraisal must be selected, rather than always using the second appraisal or the one with the highest value.
Online Guide Updates	<ul style="list-style-type: none"> • Section 545.15 • Section 702 • Section 1100.01 • Correspondent Overlay Matrix
Questions	If you have questions, please contact your Freedom Mortgage Corporation Correspondent Lending or Renovation Lending Regional Manager.