



From the Desk of Carlos Perez
Chief Credit Officer for Single-Family

August 7, 2018

Executive Overview of *Selling Guide* Updates

The August 2018 *Selling Guide* announcement clarifies and simplifies several of our policies. This update:

- **Provides a new high LTV refinance option.** This new option is for borrowers with a loan-to-value ratio that exceeds our standard limited cash-out refinance options, but who are making their monthly mortgage payments on time. This option replaces DU® Refi Plus and Refi Plus, which are expiring in 2019 in conjunction with retirement of the Home Affordable Refinance Program.
- **Removes requirement for the appraisal Market Conditions Addendum.** We no longer require submission of Form 1004MC, the Market Conditions Addendum to the Appraisal Report. This change simplifies the appraisal reporting and review process for appraisers and lenders. Collateral Underwriter® now provides robust data and analytics to help lenders assess market risk. Appraisers remain responsible for analyzing local market conditions in the appraisal report.
- **Makes it easier to disburse HomeStyle® Renovation funds.** HomeStyle Renovation loan funds may now be disbursed via a wire transfer as long as the lender has obtained written consent from the borrower. All mechanics' liens must be cleared or waived prior to the final disbursement at project completion.
- **Simplifies *Selling* and *Servicing Guide* content.** We're continuing our efforts to consolidate Part A of the *Selling* and *Servicing Guides*. This month, we're simplifying *Selling Guide* content related to data quality and integrity and the prevention, detection, and reporting of mortgage fraud. Duplicative content has been removed.
- **Clarifies the borrower's first payment date.** We're clarifying that the maximum time period permitted between the final disbursement of a loan and the borrower's first payment date is two months.

See [Announcement SEL-2018-06](#) for more details.

I hope these changes simplify your selling processes. Thank you for your continued partnership!

A handwritten signature in cursive script, appearing to read 'Carlos Perez'.

Carlos Perez