

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2023-47 | Guide and Matrices Updates

Implementation Information

- Pipeline Impact: Updates that are more restrictive must be applied to applications dated 12/15/2023 and beyond. Updates that are more lenient are effective immediately for all loans in progress and all new loans registered

Update:

The following updates have been made to the guide and matrices. Visit <https://wholesale.springeq.com/> for the updated guide and matrices. Please contact your account executive with questions.

Guideline Updates:

- **Major Adverse Credit** – The guideline regarding loans with major adverse credit (including past due taxes) with total balances of \$10,000 or more being ineligible when the total loan amount is greater than or equal to \$250,000 now includes new language: "*within the last 12 months*"
- **Rental Income Calculation and Documentation** – The following updates were made:
 - All language regarding Owner Occupied 2-4 Unit Property within the rental income calculation table has been removed
 - The language within the Length of Ownership cell within the rental income calculation table has been revised from "*At least two complete tax years*" to "*12 or more months*"
- **Unacceptable Sources of Income** – The language "*(i.e. Boarder Income or Accessory Dwelling Unit (ADU))*" has been removed from the bullet point discussing Rental income received from the Borrower's primary residence or Second Home

Matrices Updates:

- **30-Year HELOC with 3-Year Draw Period** – This product no longer permits transactions involving investment properties. All related language regarding investment properties has been removed from the HELOC matrices.
- **Ownership Seasoning (Investment Properties- 6 months ownership is required)** – The language "*HELOC with 3-year draw and*" has been removed. It now only shows (HELOAN Products Only)
- **Eligible Property Types (1-4 Unit Properties)** – New language added: "*(HELOAN products only)*"
- **Ineligible Property Types**– New language added: 2-4 Unit Properties (HELOC products only)
- **Major Adverse Credit** – The language within the Loan or Maximum Line amounts greater than or equal to \$250,000 guideline that discusses major adverse credit (including past due taxes) with total balances of \$10,000 or more being ineligible now includes new language: "*within the last 12 months*"