

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2024-01 | Matrices and Guide Updates

Important Policy and Matrices updates:

- Interest-only first mortgages are now considered eligible senior liens across all product types. In the past, interest-only first mortgages were ineligible senior liens for the HELOC Plus, HELOAN, and HELOAN Plus products. This is effective immediately for all loans in progress and all new loans registered
- The use of a prior use appraisal with CDA is now prohibited for HELOAN or HELOAN Plus products when the loan type is standalone. However, a prior use appraisal with CDA is permissible for HELOAN or HELOAN Plus products when the loan type is piggyback purchase or piggyback refinance. This is effective on all applications dated 1/12/2024 and beyond
- The General Information - All Products matrix has been eliminated. All four matrices will now exclusively show specific information and requirements for its corresponding product

The following updates have been made to the matrices and guide. Visit <https://wholesale.springeq.com/> for the updated guide and matrices. Updates that are more restrictive must be applied to applications dated 1/12/2024 and beyond. Updates that are more lenient are effective immediately for all loans in progress and all new loans registered. Please contact your account executive with questions.

Matrices updates by section:

- **Ineligible Senior Liens (HELOC PLUS, HELOAN, & HELOAN PLUS)** – Language removed: Interest Only Mortgages
- **Qualified Mortgage (HELOAN & HELOAN PLUS)** – The loan and fee amounts have been adjusted, with the new figures being \$78,277 (up from \$74,599) and \$130,461 (up from \$124,331)
- **Appraisal Requirements** – The language across all four product matrices has been revised to align with the policy update regarding the use of a prior use appraisal with CDA
- **Ineligible Property Types** – New language added across all four product matrices: Boarding Homes (properties with individual room rentals)

Guideline updates by section:

- **Real Estate Mortgages & Related Expenses** – New language was added, and the existing language was revised to provide specific information for calculating first mortgage payments that include an interest-only feature
- **Temporary Leave** – The documentation requirements have been revised for borrowers returning to work prior to the loan closing date
- **Unacceptable Sources of Income** – New language added: Rental income from boarding houses (properties with individual room rentals)