

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2023-44 | Guide and Matrices Updates

Implementation Information

- Pipeline Impact: All updates are effective for all applications dated 11/15 and beyond

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:

- **Rental** – Language removed: Primary residence (2-4 unit)
- **Trust** – New language was added to define the requirements for fixed or variable trust income payments
- **Unacceptable Sources of Income** – The language has been updated to explicitly state that rental income received from the Borrower's primary residence or second home (i.e. Boarder Income or Accessory Dwelling Unit (ADU)) is unacceptable. This is a clarification from the previous guideline, which specifically referred to single-family primary residences

Matrices update:

- **30-Year HELOC with 3-Year Draw Period** – The features and parameters of the *standard* HELOC product with 3-year draw period have been expanded. The product now allows transactions involving 1-4 unit investment properties, with a minimum required FICO score of 680 and a maximum CLTV of 70%
- **HELOAN (all terms)** – The features and parameters of the *standard* HELOAN product have been expanded. The product now allows transactions involving 1-4 unit investment properties. The minimum FICO score remains at 640, and the maximum CLTV remains at 85%, contingent on the FICO score
- **HELOAN Plus** – The features and parameters of the HELOAN Plus product have been expanded. The minimum FICO score requirement has been reduced from 740 to 700, the maximum CLTV will vary according to the loan term (capped at 85%), and the maximum loan amount has been lowered from \$500,000 to \$249,999. This product remains exclusively available for owner occupied homes, with a 43% maximum DTI
- **Eligible Property Types** –
 - Language removed: 2 Unit Properties (HELOAN products only)
 - New language added: 1-4 Unit Properties
- **Ineligible Property Types** –
 - Language removed: 2-4 Unit Properties (HELOC products only)
 - Language removed: 3-4 Unit Properties (HELOAN products only)