

# CREDIT POLICY ANNOUNCEMENT

## Bulletin- 2023-45 | Guide and Matrices Updates

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### Implementation Information

- Pipeline Impact: Updates that are more restrictive must be applied to applications dated 11/20 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:

- **Properties Titled in a Trust / Certification of Trust** – The requirements for all pages of trust agreements and individual sections/pages confirming specific details (trust name, creation date, etc.) when using a fully executed certification of trust have been removed
- **Major Adverse Credit** – The following new language in italics was added to define unpaid taxes, specify the acceptable documentation for verifying IRS past due balances to be paid at closing, and to reinforce that past due taxes are considered major adverse credit
  - *Past due State and IRS taxes are defined as unpaid taxes due on the current or previous year's tax deadline which is generally on or around April 15th.*
  - *Documentation in the form of an IRS payoff or an account record from the IRS (issued after the application date) indicating the past due amount and any penalties and/or fees, is acceptable to verify the balance to be paid at closing.*
  - NOTE: Loans with major adverse credit (*including past due taxes*) where the total balance of all accounts is \$10,000 or more are ineligible when the total loan amount is greater than or equal to \$250,000.
- **Court-Ordered Assignment of Debt** – The requirement for Proof of transfer of ownership (i.e., conveyance of ownership for real estate) to exclude a liability from the debt-to-income ratio has been removed. The requirement for a copy of the court order assigning the debt remains.

### Matrices update:

- **Lien Position & States** – Wholesale and Retail **standard HELOC** products (1st & 2nd Liens) are no longer available in the state of Tennessee
- **Lien Position & States** – Wholesale and Retail **HELOC Plus** products (1st & 2nd Liens) are no longer available in the state of Tennessee
- **Major Adverse Credit** – The following new language in italics was added to define unpaid taxes and to reinforce that past due taxes are considered major adverse credit
  - *Past due State and IRS taxes are defined as unpaid taxes due on the current or previous year's tax deadline which is generally on or around April 15th.*
  - Major adverse credit (*including past due taxes*) where the total balance of all accounts is \$10,000 or more are ineligible