

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2024-03 | Matrices and Guide Updates

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

Significant Update(s): Must be applied to applications dated 2/2/2024 and beyond

- The initial draw amount for the HELOC and HELOC Plus products has changed from a minimum of \$50,000 to The greater of \$50,000 or 50% of the total line amount. The language within the Initial Draw section of both HELOC matrices has been revised to reflect this change

Matrices update(s) by section: Effective immediately for all loans in progress and all new loans registered

- **Major Adverse Credit** (*all product matrices*) – The eligibility time frame has been reduced from 12 months to 90 days for loans with major adverse credit (including past due taxes) where the total balance of all accounts is \$10,000 or more, and the total loan or maximum line amount is greater than or equal to \$250,000

UW Guideline update(s) by section: Effective immediately for all loans in progress and all new loans registered

- **Occupancy Types** – The existing language has been revised and new language has been added to clarify the originator must compare the current address reported on the mortgage loan application to the addresses listed on or within borrower-provided documents, the credit report, and/or the fraud report. It's important to note that a full explanation and/or supporting documentation is required to resolve any red flags or inconsistencies noted within the last 12 months
- **Major Adverse Credit** – The eligibility time frame has been reduced from 12 months to 90 days for loans with major adverse credit (including past due taxes) where the total balance of all accounts is \$10,000 or more, and the total loan or maximum line amount is greater than or equal to \$250,000
- **Commission** – Language removed: If commission income represents 25% or more of a Borrower's total annual income
- **Retirement, Annuity Income, and IRA Distributions** – The language has been revised to clarify that when using monthly IRA distributions as qualifying income, a minimum of 2 distributions must be documented prior to clear to close with at least 1 distribution received prior to the application date