

CREDIT POLICY ANNOUNCEMENT

Bulletin- 2024-02 | 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 Updates: Must be applied to applications dated 1/22/2024 and beyond

- **30-Year HELOC with 3-Year Draw Period** – FICO and HCLTV Updates
 - The FICO score requirement for Owner-Occupied properties allowing a 95% maximum HCLTV has been changed to 740+
 - The maximum HCLTV for Owner Occupied properties for borrowers with FICO scores of 700-739 has been changed from 95% to 90%
 - The maximum HCLTV for 2nd homes remains at 80% for borrowers with FICO scores of 700 or above
- **HELOAN** – FICO and CLTV Updates
 - The FICO score requirement for Owner-Occupied properties allowing a 95% maximum CLTV has been changed to 740+
 - The maximum CLTV for Owner Occupied properties for borrowers with FICO scores of 700-739 has been changed from 95% to 90%. The maximum CLTV for 2nd homes remains at 90% for borrowers with FICO scores of 700-739. The maximum CLTV for Investment properties remains at 85% for borrowers with FICO scores of 700-739

Matrices updates by section (all products): Updates that are more restrictive must be applied to applications dated 1/22/2024 and beyond. Updates that are more lenient are effective immediately for all loans in progress and all new loans registered

- **Ineligible Property Types** – The language has been revised to clarify that Boarding Homes are ineligible when it is an Investment property
- **Title Restrictions** – A new section has been added to distinguish title restrictions that were previously displayed in the Ineligible Borrowers section
- **Ineligible Borrowers** –
 - New language added:
 - Non-individual legal entities such as corporations, general partnerships, limited partnerships, real estate syndications, or investment trusts
 - Rent free borrowers
 - Additional ineligible borrower typed have been added to align with the language displayed in the Ineligible Borrower's section of the UW guidelines
- **Disaster Policy** – Additional language was added to align with the language displayed in the FEMA Disaster Area section of the UW guidelines

UW Guideline updates by section: Updates that are more restrictive must be applied to applications dated 1/22/2024 and beyond. Updates that are more lenient are effective immediately for all loans in progress and all new loans registered

- **Ineligible Borrower's** – New language added:
 - Non-individual legal entities such as corporations, general partnerships, limited partnerships, real estate syndications, or investment trusts (moved from the Borrower Types guideline)
 - Rent free borrowers
- **Title Documentation** – New language added:
 - Power of Attorney is limited to Piggyback Purchases only and must follow GSE Requirements
 - Properties Titled in an Irrevocable Trust (displayed under Ineligible Ownership Interests)
 - Properties Titled in a Land Trust (displayed under Ineligible Ownership Interests)

