

## Genworth Mortgage Insurance Credit Policy

October 2, 2018

### Bulletin 2018-05



### Genworth fully aligns with Freddie Mac Selling Guide Updates [2018-15](#), [2018-13](#), [2018-12](#) & [2018-10](#)

Below are highlights from these updates:

#### Freddie Mac Bulletin 2018-15

- **Authorized User Accounts** – Effective 10/4/18, the Loan Product Advisor Feedback Certificate will provide the requirements to document Authorized User Accounts.
- **Self-Employment Income**- Effective immediately, self-employment that is disclosed in the Mortgage file but is not used to qualify, does not need to be documented or evaluated for income or loss under certain circumstances as prescribed by Freddie Mac.

#### Freddie Mac Bulletin 2018-13

- **Home Possible<sup>®</sup> Mortgages** – Effective 10/29/18, this product will allow non-occupant co-borrowers and super conforming mortgages.
- **Student Loan Debt Calculation** – Effective on or before 11/1/18,
  - If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other file documentation, or,
  - If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding balance, as reported on the credit report
- **Cash Back Requirements for “No Cash-Out” Refinances** – Effective on or before 10/29/18, the amount of allowable cash back to the borrower has been revised to permit cash back up **to the greater of 1% of the Mortgage amount or \$2,000.**

## Freddie Mac Bulletin 2018-12

- **Lender Credits** – A Lender’s option for handling excess lender credit has been expanded to include a principal curtailment toward the Mortgage. This includes situations where regulatory requirements do not permit reduction of the amount of the lender credit without re-disclosure.
- **Contingent Liabilities and Assigned Debt Documentation Requirements** – A mortgage debt that is a contingent liability or an assigned debt, that could be a mortgage, may be excluded from the Borrower’s monthly debt payment-to-income ratio if it meets certain eligibility requirements.

## Freddie Mac Bulletin 2018-10

- **Condominium Project Updates** – Various updates have been made supporting condominium project lending including an expansion in the allowable amount of commercial/non-residential space in a project/ building to 35% as well as increasing the allowable single-investor concentration from 15% to 25% for some investors.
- **Maximum Number of Financed Properties** – The total allowable number of financed properties (2<sup>nd</sup> homes and investment properties) has been expanded to a maximum of 10 with guideline restrictions when the number of financed properties is greater than 6.  
*Note: GNW will insure a maximum of 2 properties per borrower, restricted by no more than 1 second home and 1 investment property.*

**Note:** Genworth will incorporate these changes into our Underwriting Guidelines and other collateral over the coming months.

For complete details and effective dates, refer to the above referenced Freddie Mac Bulletins.

Contact your Genworth Sales Representative or the ActionCenter® at 800 444.5664 with any questions.