

## Announcement 2018 – 65

### Planet Home Lending Recent Policy Changes

Planet Home Lending is aligning with the recent Agency announcements. The announcements are summarized below with a link to the Agency's full announcement.

Agency	Summary	Effective Date	Agency Announcement
Freddie Mac	<p>Freddie Mac <u>removed</u> the requirement that net rental income considered for qualification cannot exceed 30% of the Borrower's monthly qualifying income.</p> <p>Freddie Mac <u>added</u> the requirement that the Borrower must own a Primary Residence to use rental income to qualify when purchasing a new rental property.</p> <p><b>-and-</b></p> <p>When a Borrower does not have a minimum one year experience managing investment property, the rental income can only offset the PITI of the rental property. Rental income exceeding the PITI cannot be added to the Borrower's qualifying income.</p> <p>The Borrower only needs to provide the most recent federal income tax return to document rental income.</p>	Immediate	<a href="#">BUL 2018-19</a>
Freddie Mac	<p>Freddie Mac updated the documentation requirements for Social Security retirement and disability benefits. The revised documentation requirements allow:</p> <ul style="list-style-type: none"> <li>• A copy of the Social Security benefit verification letter <b>-or-</b></li> <li>• Documentation evidencing current receipt of Social Security retirement and disability benefits</li> </ul> <p>LPA feedback messages have been updated to reflect this change.</p>	Immediate	<a href="#">BUL 2018-19</a>
Freddie Mac Fannie Mae	<p>Freddie Mac and Fannie Mae have jointly agreed to require the UCD file with the embedded PDF of the Closing Disclosure.</p> <p>In states that allow an alternate form, the CD is still required for all Conventional mortgage loans.</p>	Immediate	<a href="#">BUL 2018-19</a>
Freddie Mac	<p>Freddie Mac updated the flood insurance requirements for Condo Projects, reducing the requirement for 100% of the building's replacement cost, to 80% when calculating building coverage.</p> <p>The new requirement is for the Condo Association to maintain building coverage for the lower of:</p> <ul style="list-style-type: none"> <li>• 80% of the buildings replacement cost <b>-or-</b></li> <li>• \$250,000 multiplied by the number of units in the building</li> </ul>	Immediate	<a href="#">BUL 2018-21</a>

All Planet Home Lending documentation will be updated to reflect those changes as applicable.

If you have any questions, please contact your Sales Service Representative.