

### Bulletin Contents

CREDIT POLICY UPDATES.....	1
FHA 10-Year Protection Plan Requirement.....	1
VA Cash-Out Changes.....	1
CLARIFICATIONS .....	2
Foreign Assets.....	2
MISCELLANEOUS UPDATES.....	2
MANUAL SECTIONS UPDATED.....	2

---

### CREDIT POLICY UPDATES

#### **FHA 10-YEAR PROTECTION PLAN REQUIREMENT**

Effective Date: FHA Case Numbers assigned on/after March 14, 2019

FHA Information Letter 18-49 announced removal of regulations that require borrowers to purchase 10-year protection plans in order to qualify for certain mortgages on newly constructed single family homes, effective with case numbers assigned on/after March 14, 2019. Citi policy has been updated to reflect this change.

Manual Section(s) Affected: 270

#### **VA CASH-OUT CHANGES**

Effective Date: Borrower Application Dates on/after February 15, 2019

Per VA Circular 26-18-30, VA-guaranteed cash-out refinance loans must meet one of the following requirements.

- TYPE I Cash-Out Refinance: A refinancing loan in which the loan amount (including VA funding fee) does not exceed the payoff amount of the loan being refinanced.
- TYPE II Cash-Out Refinance: A refinancing loan in which the loan amount (including VA funding fee) exceeds the payoff amount of the loan being refinanced.

With the above, there is no longer a “rate/term refinance” option.

**Note:** To accommodate the above changes and make it easier to distinguish between new and prior policy, a second VA Product fact sheet has been created for loans with borrower application dates on or after February 15, 2019.

Manual Section(s) Affected: 271

## CLARIFICATIONS

### FOREIGN ASSETS

Policy requirements addressing verification of foreign assets have been clarified as shown below.

Donors gift funds, given at closing, that are currently held in an account outside of a U.S. Banking Institution must be transferred into an Escrow/Closing Agent account in the United States. The funds must be verified in U.S. dollars at the time the funds are transferred and received in the U.S. and meet all the requirements of the Gift Funds section. Documents of foreign origin must be translated to English.

Manual Section(s) Affected: 806.2

## MISCELLANEOUS UPDATES

- **601-Condo Projects:** Verbiage referencing specific review types has been removed from the project review types listed for “New or Established two-to-four unit condo projects” for clarification.

## MANUAL SECTIONS UPDATED

270	FHA Fixed and ARM
271	VA Fixed and ARM

501.2	Appraisal Evaluation
601	Citi Project Approval

806.2	Assets-Source of Funds
808	Property

For more information, contact your National Client Services Team at 800-967-2205. The Citi Correspondent website is also available for all of your pipeline management needs at [correspondent.citimortgage.com](http://correspondent.citimortgage.com).

**This communication is to keep you informed of ongoing Citibank Correspondent program changes and is not an indication of your present or future approval status for selling loans to Citibank.**

ENCRYPT CUSTOMER DATA: Lenders have a responsibility to protect consumer information. Maintaining confidentiality of such information is a top priority at Citibank. This responsibility includes improving controls around the storage and transmission of such information. Citibank requests that all loan data be encrypted whenever you send it to us via email. While Citibank cannot endorse a particular encryption tool please begin utilizing an appropriate encryption method with all future transmissions. Encryption should help minimize the risk of potential unauthorized viewing or use of such information.

The information contained in this Bulletin immediately (or as of any effective date indicated in the Bulletin) supplements and supersedes (to the extent there may be a conflict) the provisions of the Citibank Correspondent Loan Purchase Agreement and Citibank Correspondent Manual that govern each Loan submitted by Correspondent for Citibank’s purchase after the date of the Bulletin. There may be a delay in the publication of any change to the Correspondent Manual required as a result of the information contained in the Bulletin. During the period of any such publication delay, the provisions of the Bulletin control over any conflicting provision of the Correspondent Manual.

© 2019 Citibank, N.A., equal housing lender, member FDIC. Citibank, Citi, Arc Design with Citi and Arc Design are registered service marks of Citigroup Inc.