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TEMPORARY CREDIT POLICY UPDATE(S)***INCOME & VOE REQUIREMENTS FOR FHA LOANS***

Temporary policy has been revised to indicate the extension of FHA Mortgagee Letter 2020-05, addressing flexibilities for obtaining a verbal verification of employment, to February 28, 2021 (2020-47).

Manual Section(s) Impacted: COVID Policy Actions

CREDIT POLICY UPDATE(S)***ILLINOIS LAND TRUSTS: AGENCY TRANSACTIONS***

Effective Date: February 14, 2021; New Registrations

In Bulletin 2020-18, Citi announced Illinois Land Trusts would no longer be eligible, effective with new registrations on/after 10/18/20. Policy allowing Illinois Land Trusts for Agency transactions is now being reinstated.

Manual Section(s) Impacted: 808

NOTICE(S)***ABILITY TO REPAY/QUALIFIED MORTGAGE RULE –CRITICAL CHANGES***

As communicated in Bulletin 2021-01 and in accordance with recent changes the CFPB has made to the ATR/QM Rule, **loans that close on/after January 10th, 2021 that exceed the Qualified Mortgage Points and Fees threshold will not be eligible for purchase and can no longer be cured.**

HUD 92900-A: NEW VERSION

In Mortgagee Letter 2020-49, HUD announced an updated version of HUD 92900-A, the HUD/VA Addendum to Uniform Residential Loan Application, was being implemented in March 2021. Note the new version may be used immediately, but **MUST** be used for case numbers assigned on/after March 22, 2021.

CLARIFICATION(S)***HANDLING LOCKED CREDIT***

Policy has been updated in several topics within the Credit Chapter to clarify that locked credit should be handled in the same manner as frozen credit.

Manual Section(s) Impacted: 807

DU APPRAISAL WAIVERS ON LOANS WITH MORTGAGE INSURANCE

The fact sheets below have been updated to align with current policy regarding loans that require mortgage insurance receiving a DU Appraisal Waiver:

Appraisal waivers are acceptable; however, not all MI companies accept appraisal waivers on all transactions. It is the responsibility of the underwriter to ensure the MI Company's policies are met and the loan remains insurable.

Manual Section(s) Impacted: 233, 406

CONDOS: INELIGIBLE CRITERIA

Ineligible criteria for condos has been further clarified regarding houseboats and timeshares for detached units and 2-4 unit projects as shown below:

The project may not be a condominium hotel, houseboat project, timeshare project, or project with segmented ownership and does not include manufactured homes.

Manual Section(s) Impacted: 601

REMINDER(S)

IRS 4506-C (REPLACING 4506-T)

As communicated in Bulletin 2020-01, Correspondent Manual references to the 4506-T have been updated to 4506-C. Citi encourages use of the new form (4506-C) now if you have not already begun utilizing it. However, **the 4506-C will be required with loans closed on/after March 1, 2021.**

MANUAL SECTIONS UPDATED

COV	COVID-19 Policy Actions
233	HomeReady

406	Desktop Underwriter
601	Citi Project Approval
807	Credit

808	Property
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For more information, contact your assigned [Client Services Consultant \(CSC\)](#) or [Account Executive \(AE\)](#).

The Citi Correspondent website is also available for all of your pipeline management needs at correspondent.citimortgage.com

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