



April 23, 2018 | The AFR 411 2018-09

American Financial Resources, Inc.



Attention: AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **AFR Jumbo Program Updates**

AFR is pleased to announce the release of the Jumbo Program Guidelines version v.2. **Please see the Jumbo Program Guidelines and Matrix for full details.** These updated guidelines are effective for locks taken on or after April 23, 2018. Highlights of the program changes include:

Purchase

- Amended > 80% LTV to allow fixed rate *only*.

Purchase and R/T

- Added a maximum 90% CLTV for maximum 80% LTV rate & term refinances.
- Added a maximum 90% CLTV for loan amounts to \$2,000,000 with a **740** minimum FICO.

Second Homes

- Maximum LTV increased from 55% to 65% at maximum loan limit.

Non-Owner Occupied

- 2-4-unit properties are now eligible on an exception basis
- Maximum loan amount increased to \$2,000,000.
- Minimum FICO *lowered* to **700**.

Cash-Out Refinance

- *Lowered* minimum FICO from 720 to **700** for owner occupied 1 unit.

- *Increased* cash-out limit from \$350,000 to **\$500,000** for owner occupied 1 unit.

First Time Homebuyers

- Maximum loan amount *increased* to **\$1,500,000**.

Condo Restrictions

- Maximum LTV *increased* to **90%**.
- Requirement for minimum 740 FICO *removed*.

Reserves

- ***Lowered*** reserves from 12 months to **9 months** for LTV/CLTV ≤80% with loan amount > \$1,000,000 to ≤ \$2,000,000.
- Amended N/O/O reserves to 12 months for all loan amounts.
- ***Added*** reserve requirements for second homes with loan amounts > \$1,000,000 to ≤ \$2,000,000, 12 months.

Agency High Balance Program

The following overlays have been added:

- Maximum LTV for Cash-out refinances is 75%.
- Minimum **700** FICO.
- Investor properties are *ineligible*.

Non-Arm's Length Transactions

Amended eligibility to allow certain non-arm's length transactions.

Underwriting and Income Documentation Requirements

In addition to the new product changes in the Guidelines, we have also clarified several of the underwriting requirements and the required documentation to provide more detail for various borrower income scenarios.