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| To: | All Customers | From: | Credit Policy |
| Date: | 04/22/21 | Memo#: | 21046 |
| Subject: | **Conventional Guideline Updates for Freddie Mac** | | |

The *Conventional Underwriting Guidelines* will be updated with the following changes and are effective immediately unless otherwise noted.

**OPEN 30-DAY CHARGE ACCOUNTS- FREDDIE MAC**

For Freddie Mac LPA transactions, in lieu of obtaining sufficient funds to cover the balance, the full balance of an open 30-day charge account may be used as the qualifying payment and included in the debt-to-income ratio for qualification purposes.

**LIMITED FUNDS TO CLOSE- FREDDIE MAC**

For Freddie Mac LPA transactions, documentation of funds to close on Refinance transactions is no longer required under the following circumstances:

- Required funds to close from the borrower do not exceed $500, and
- No reserves are required per the LPA response

Note: Freddie Mac will update LPA messaging by June 2021 to reflect this change however tolerance can be applied immediately.

**RETIREMENT INCOME- FREDDIE MAC**

When retirement income is paid in the form of a distribution from a 401(k), IRA, or Keogh retirement account, eligible retirement balances from multiple accounts may be combined for the purposes of determining whether the three-year continuance from the Note date is met.

See the *Conventional Underwriting Guidelines* for complete details.

ADDITIONAL RESOUCRES

- Freddie Mac Bulletin 2021-9
- Freddie Mac Bulletin 2021-12