To:	All Customers	From:	Credit Policy
Date:	04/22/21	Memo#:	21048
Subject:	**Eligibility Limitations for Legally Prohibited Activities**		

The *Underwriting Guidelines* will be updated with the following guidance to offer clarity to the requirements when a borrower or property is involved in a prohibited activity.

BORROWER ELIGIBILITY

Borrower(s) with any ownership in a business that is federally prohibited, regardless if the income is not being considered for qualifying, will be considered an ineligible borrower.

INELIGIBLE INCOME TYPE

Income derived from an activity that is prohibited by federal, state or local law, rules and regulations cannot be considered. This applies to both W2 and self-employment, regardless if reporting income or loss. The Ineligible income sources may include, but not limited to:

- Medical marijuana dispensaries
- Any business or activity related to marijuana or CBD (e.g. growing, processing, distribution, etc.) even if legally permitted under state or local law.

INELIGIBLE PROPERTY CONDITION

Properties with evidence of activities that are federally, state, or locally prohibited (e.g. marijuana growth, processing, etc.) are ineligible. Property alterations cannot be made to achieve collateral eligibility.

Please refer to the various *Underwriting Guidelines* for complete details.