

To: All Customers **From:** Product Development
Date: 07/29/21 **Memo #:** 21102
Subject: **Jumbo Advantage Product Reinstatement**

Effective Friday, July 30, 2021, Flagstar Bank is reinstating the *Jumbo Advantage*, [Doc. #5427](#) product that was suspended early in 2020. The product will include the following changes:

- Minimum credit score of 680 will be required for all transactions
- When the product description is silent on a topic, the [Non-Agency Underwriting Guidelines](#) will apply; formerly the *Conventional Underwriting Guidelines* had applied
- A new reserve requirement has been added for investment properties with loan amounts between \$1,000,001-1,500,000; 12 months PITIA reserves will be required
 - Reminder: when borrowers have financed properties in addition to the subject property, an additional 3 months PITIA reserves for each property
- Only funds needed to close and for reserves will require verification; formerly all liquid assets required verification
- Applicants must provide a written explanation for all inquiries made in the previous 90 days on their credit report; formerly 120 days
- Alimony payment must be deducted from income; rather than included as a liability
- Condominium projects still require approval through the [Flagstar Project Review](#) department, but approval documentation from Condo Project Manager (CPM) will no longer be required in the file
- For delayed financing transactions, funds borrowed against a margin or 401(k) account will be acceptable when documented and when paid off on the Closing Disclosure; such transactions will be considered a rate/term refinance; formerly such funds were not acceptable as borrower funds and delayed financing was considered to be a cash-out refinance
- Credit, income and asset documentation will be valid for 120 days; formerly 90 days
- The title commitment must be dated within 120 days of the note date; formerly 90 days and also formerly required a 24-month chain of title
- The use of *Social Security Number Verification*, [Doc. #3257](#) will now follow the same guidelines as most other jumbo products as announced in the [Non-Agency SSN Validation Removal](#) announcement in April 2021.
- The [Temporary COVID Guidelines](#) will apply to the reinstated *Jumbo Advantage*, [Doc. #5427](#)

CUSTOMER SUPPORT

If you have questions, please email underwritingsupport@flagstar.com or call the underwriting support desk at (866) 945-9872.