To:	All Customers	**From:**	Credit Policy
Date:	08/05/21	**Memo #:**	21106
Subject:	**Non-Agency Underwriting Guidelines**		

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

CHINESE DRYWALL

Chinese drywall as an ineligible property type is being removed. Any identified presence of Chinese drywall must meet the requirements listed under Environment Hazard section of the guidelines.

PENSION, ANNUITY AND IRA DISTRIBUTIONS

Verification of receipt of distributions is being reduced from 6 months to at least 2 months being required.

POWER OF ATTORNEY

The use of a Power of Attorney is now eligible on single (sole) borrower transactions. All other applicable guidelines must be met.

RATE AND TERM REFINANCES

The calculation of LTV/CLTV/HCLTV based on the appraised value versus purchase price is changing from a required 12-month ownership to 6-months (defined as Prior Note date to subject Note date).

If borrower has less than 6 months ownership in the property, LTV/CLTV/HCLTV is calculated from the lesser of the purchase price or appraised value, with the exception of documented capital improvements or in the case of an inherited property.

Refer to the *Non-Agency Underwriting Guidelines* for complete details.

If you have any questions on the contents on this memo, please email underwritingsupport@flagstar.com or call the Underwriting Support Desk at (866) 945-9872