

To: All Customers **From:** Flagstar Bank
Date: 09/16/21 – Update 09/27/21 **Memo #:** 21132
Subject: Enhanced Jumbo Express Program

Effective with loan registrations on or after Friday, September 17, 2021, Flagstar Bank will significantly enhance and broaden the *Jumbo Express* program, [Doc. #5432](#) to meet the needs of more potential borrowers. The enhanced program will consolidate the features and eligibility guidelines of the current *Jumbo Fixed*, [Doc. #5413](#) and *Jumbo Express*, [Doc. #5432](#) products into a single new Jumbo Express product. Jumbo Express loans registered prior to September 17, 2021 will follow the previous Jumbo Express guidelines. Any product changes on or after September 17, 2021 will follow the updated guidelines.

PROGRAM HIGHLIGHTS

Many of the best features of both products have been retained in the new Jumbo Express 30-year fixed-rate product. Listed below are some highlights of the new product:

- Primary residence loan amounts up to \$3 million
- Second home loan amounts up to \$2.5 million
- Desktop Underwriter (DU) submission applies to all transactions
 - **DU Approve/Eligible response for loan amounts between the applicable conforming and High Balance loan limits based on county and property type**
 - **DU Approve/Ineligible response for loan amounts above the applicable conforming or High Balance loan limit for the county and property type; Ineligible due to loan amount only**
- Tradeline requirements have been streamlined in conjunction with the DU credit review; all loans will require an *Approve* response and one of the following:
 - Two tradelines with a minimum 12-month history; or
 - One tradeline with a minimum 12-month history and a 12-month housing reference
- Derogatory credit will follow DU findings with the exception of Chapter 13 bankruptcies and loan modifications:
 - Chapter 13 bankruptcies discharged or dismissed will require 4-year seasoning from the discharge or dismissal date
 - Loan modifications will require 7-year seasoning from the modification date
 - Reduced seasoning due to extenuating circumstances is not permitted
- Loans must meet all Ability to Repay (ATR) requirements of Appendix Q.
 - Documentation requirements per Flagstar's *Non-Agency Underwriting Guidelines* for Income and Liabilities must be met, regardless of DU findings.
- No additional requirements for first-time homebuyers
- Loan amounts up to \$850,000 will require three months' PITIA reserves
 - Borrowers who own additional financed properties will require an additional six months' PITIA reserves for each property

To accommodate the updates to the *Jumbo Express* we will update the loan level price adjustments grid on the rate sheet with some of the existing *Jumbo Fixed* LLPAs along with the



102.000 price cap along as well as adding a new LLPA +0.250 price improvement for CA properties and improving the up to 85% LTV LLPA from -1.375 to -1.000.

Jumbo Express Price Adjustments								Max Price: 102.000					
LTV/CLTV	<=60%	60.01-65%	65.01-70%	70.01-75%	75.01-80%	80.01-85%	80.01-90% CLTV	LTV/CLTV	<=60%	60.01-65%	65.01-70%	70.01-75%	75.01-80%
≤1M	+0.250	+0.250	+0.125	0.000	0.000	0.000	0.000	CO Refi	-0.250	-0.500	-0.500	-0.750	-1.250
>1M-1.5M	+0.250	0.000	0.000	-0.125	-0.250	N/A	N/A	2nd Home	0.000	-0.250	-0.375	-0.625	N/A
>1.5M-2M	0.000	0.000	-0.125	-0.250	N/A	N/A	N/A						
>2M-3M	0.000	-0.125	-0.250	N/A	N/A	N/A	N/A						
680-699	-0.125	-0.375	-0.875	-1.000	-1.500	N/A	-2.250						
700-719	0.000	-0.250	-0.500	-0.500	-0.500	N/A	-1.500						
720-739	+0.250	+0.125	0.000	-0.250	-0.375	N/A	-1.000						
740-759	+0.375	+0.250	+0.125	-0.125	-0.250	N/A	-0.750						
760+	+0.500	+0.375	+0.250	0.000	0.000	-1.000	-0.375						
NonCA 30Y Fix +0.250			CA 30Y Fix +0.250		Escrow Waiver -0.100 (excludes Broker)								
			Purchase +0.250		NY Tax Fee -0.250								

JUMBO FIXED PROGRAM RETIRED

As a consequence of the enhanced Jumbo Express product, and also effective Friday, September 17, 2021, the current *Jumbo Fixed* program, [Doc. #5413](#) is being retired. No new registrations will be accepted, but existing pipeline loans will be honored under the previous guidelines.

CUSTOMER SUPPORT

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