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Subject: Underwriting Documentation Requirements
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Attachments: [image002.png](#)
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TACO TUESDAY!! Good morning. Today is one of my favorite days of the week. To celebrate today I wanted to pass along some great news to everyone. Kristen and I have been working with our investors and reviewing our Post Closing Audits to see if there are some documentation requirements that we could update and may be loosen up a little. After a few weeks of research we believe we have made some great updates to help our file flow moving forward. Please review the attached documentation and feel free to contact me with any questions. Please watch these and follow them and your AUS Findings. Remember that once a document is submitted to underwriting it is hard for underwriting to “unsee” those documents. I highly recommend you are working with your processor and only submitting the documentation required per the guidelines and your AUS Findings. I hope everyone has a wonderful “Taco Tuesday”!



Thanks,

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Underwriting Updated Documentation Requirements

Conventional

1. Divorce Decrees are no longer needed unless something in the file shows child support or alimony. Underwriting will go off of the 1003 and any red flags on third party documentation. Originators are responsible to make sure borrowers understand the questions on the 1003.
2. Paystubs and Bank Statements are good for 60 days based off of the note date. Watch the dates when resubmitting the file based on current turn times and earliest closing date. The amount of bank statements and paystubs required will be based on the AUS Findings.
3. We will now accept either a copy of the cleared earnest money check or a copy of just the front of the check and documentation on the bank statements that it has cleared. If only using a copy of the cleared earnest money check and it shows it cleared after the date on the bank statements then the amount of the earnest money will be deducted from the available assets.
4. Closings can occur with a file in a Revocable Trust. This will require management approval prior to final approval. If you have one that you want approved please make sure a copy of the Revocable Trust is uploaded to the file and you can either contact Wayne to review it prior to resubmission for final approval. Or include a note in the file that you would like the Trust reviewed by management as they would like to close in the name of the trust. This must be done prior to CTC and loan be scheduled for closing.
5. When using gift funds we need a completed gift letter by an acceptable donor per Freddie/Fannie Guidelines. If check was given to borrower then need copy of check and proof deposited in borrower's account. If funds are being given to title at closing please include a note with the gift letter advising the underwriter of this. We will PTF for proof of funds to be given to the Title Company.

Service Retained Loans Only

1. Free and Clear Properties will require proof of taxes and HOI. If there is no dwelling on the land and no HOI then a copy of the tax cert or something from a third party showing there is no dwelling on the property will work instead of a lien search. If the underwriter sees any red flags on the Data Verify, Tax Returns or any other documentation in the file then a lien search could be requested.

FHA and VA

1. Tax Transcripts and Tax Returns will no longer be required unless any of the borrower's are self-employed or the AUS Findings require them. Please make sure the employment section of the URLA is correct and follow your AUS Findings.
2. Divorce Decrees are no longer needed unless something in the file shows child support or alimony. Underwriting will go off of the 1003 and any red flags on third party documentation. Originators are responsible to make sure borrowers understand the questions on the 1003.