



February 7, 2017 | The AFR 411 2017-03

American Financial Resources, Inc.



Attention: All Consumer Direct, Wholesale and Correspondent Sales and Operations Staff

Topics in this edition of The AFR 411 include:

- **AFR “Limited” Renovation Programs**
 - **FHA Limited 203(k) Rehabilitation Mortgage**
 - **FNMA Limited HomeStyle® Renovation Mortgage**
 - **FHA and VA One-Time Close Programs**
 - **Correspondent Table Fund and Non-Delegated Channels**
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This 411 supersedes the current guidelines outlined in the applicable Program Matrices. All updated guidelines will be highlighted and the matrices will show a revised date once they have been modified.

FHA Limited 203(k) Rehabilitation Mortgage & FNMA Limited HomeStyle Renovation Mortgage

Effective for all loans originated on or after February 7, 2017, AFR is changing the guidelines for disbursements for the “Limited” Renovation Programs (FHA Limited 203(k) Rehabilitation Mortgage and the FNMA Limited HomeStyle® Renovation Program). This 411 immediately rescinds the guidance in AFR 411 2016-15-REVISED.

AFR is increasing the initial advancement of funds to the Contractor to 50%. The initial advancement is in relation to estimated materials and labor costs before beginning construction (which includes but is not limited to materials, labor and permits) at the time of closing.

FHA and VA One-Time Close Programs

Exciting news! Effective immediately, AFR is now permitting the FHA and VA One-Time Close Programs in the Correspondent Table Funded and Non-Delegated channels. **Reminder:** The One-Time Close Program is not permitted in the Correspondent Delegated channel.

AFR will require all Correspondent Table Fund and Non-Delegated partners to complete the *One-Time Close Loans* Webinar and pass a test to [“get certified”](#) prior to submitting a One-Time Close transaction.

Please visit our website at www.afrwholesale.com and sign up for an upcoming session or click here: <https://www.afrwholesale.com/resources/training-webinars/>.