



March 9, 2017 | The AFR 411 2017-05

American Financial Resources, Inc.



Attention: AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **FHA Direct Endorsement Unconditional Authority Test Case**
 - **Freddie Mac Revisions to Asset and Income Qualification Requirements**
 - **On-Demand Processing**
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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 Direct Endorsement Unconditional Authority Test Case

Coinciding with the changes to the FHA test case program, as detailed in [HUD Mortgagee Letter 2016-21](#), AFR will no longer purchase test case loans for any Mortgagee receiving test case authority post April 1, 2017. Clients in test case with FHA may only deliver loans that are not deemed test case files to AFR through a non-delegated correspondent relationship.

Those included as test case submissions can be considered once full review and approval is issued by FHA post-closing.

Freddie Mac Revisions to Asset and Income Qualification Requirements

[Freddie Mac Guide Bulletin 2016-19](#) announced revisions to assets and income qualification requirements effective for Mortgages with Settlement Dates on or after July 6, 2017 (date extension announced in [Guide Bulletin 2016-23](#)). As of March 6, 2017, Loan Product Advisor updated the messaging based on the revised underwriting requirements related to these revisions.

Effective today, March 9, 2017, AFR will be adopting all the revisions announced in this Bulletin and will require all files to adhere the new guidance and must follow the messaging returned by Loan Product Advisor.

On-Demand Processing

Exciting news!!! As of Monday, April 3rd, AFR will be offering On-Demand Processing to Correspondent Table-Funded and Correspondent Non-Delegated Lending Partners on all AFR programs, including One Time Close.

AFR will charge a \$195 processing/origination fee for all transactions being processed with AFR's On-Demand Processing feature.

Reminder:

- Table-Funded transactions must include the initial Loan Estimate showing this charge disclosed to the borrower at the time of submission.
- Correspondent Non-Delegated transactions will have this charged netted from the purchase advice at the time of purchase by AFR.