



June 14, 2017 | The AFR 411 2017-11

American Financial Resources, Inc.



Attention: AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **VA Fees and Timeliness Reminder**
 - **Freddie Mac Selling Updates**
 - **Fannie Mae Selling Updates / DU Version 10.1**
 - **Fannie Mae HomeStyle Update**
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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.

VA Fees and Timeliness Reminder

As announced in AFR 411 2016-16 dated 10/13/16

VA publishes a VA Appraisal Fee Schedules and Timeliness Requirements state chart on their website: http://www.benefits.va.gov/homeloans/appraiser_fee_schedule.asp. Recently VA has announced certain RLC Appraisal Fee Changes and they have also advised that all RLCs will have appraisal fee changes in the near future.

Effective October 16, 2016, AFR will require all submissions with subject properties in a state that have or have announced an updated fee schedule to have the initial Loan Estimate (LE) disclosed with the increased fee within the date indicated in the Appraisal Timeliness/Appraisal Delivery Date column plus 5 business days indicated on the updated charts. The only exception to the LE being disclosed with the lower appraisal fee after this date would be if the client produces an invoice from the VA evidencing the fee to match the fee chart at the time of submission.

Important: If the property is located in an RLC that has an open announcement, you must refer to that table to disclose the updated fee in lieu of using the start chart found on the website. The most recent announcement announces changes to appraisal fees in Alaska, Idaho, Utah, Washington and Wyoming effective for July 1, 2017.

Note: Business Days are defined as Monday – Friday and does not include a Federal Holiday.

Freddie Mac Selling Updates

AFR will be adopting all of the updated guidelines announced in [Bulletin 2017-08](#) dated May 31, 2017:

- Collateral Representation and Warranty Relief - Automated Collateral Evaluation – effective 6/19/17
- Condominium Project Updates – effective 5/31/17 and 8/31/17
- Appraisal and Property Specific Requirements – effective 8/31/17
- Area Median Income Estimates – effective 6/13/17

Fannie Mae DU Version 10.1

AFR will be adopting all applicable underwriting guidelines with the DU Version 10.1 release.

[DU Version 10.1 Release Notes](#)

Fannie Mae HomeStyle Renovation Program

AFR is updating an overlay in the FNMA HomeStyle Matrix and will be effective immediately.

Current Overlay

A contingency reserve equal to 10% of the total costs of the repairs and renovation work must be established and funded for all loans.

Updated Overlay

A minimum contingency reserve equal to 10% up to a maximum of 20% of the total costs of repairs and renovation work based on AFR UW discretion and the scope of the work and Consultant input.