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American Financial Resources, Inc.



Attention: AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **One-Time Close Doc Prep Fee**
- **Fannie Mae HomeStyle Renovation Mortgages**
- **VA Jumbo Minimum Qualifying Credit Score**
- **Freddie Mac / Fannie Mae Texas 50(a)(6) Mortgages**

One-Time Close Doc Prep Fee **New******

Effective March 1, 2018, AFR will deduct \$300 from the purchase advice on all Non-Delegated Correspondent Lender One-Time Close transactions for document preparation charges to AFR's Texas counsel.

FNMA HomeStyle Renovation Mortgages **Update******

Effective immediately, AFR is now accepting FNMA HomeStyle Renovation mortgages in the state of Texas. Reminder: AFR requires all loans in the state of Texas to have title reviewed and the closing documents prepared by AFR's Texas Counsel, The Middleberg Riddle Group ("MRG").

Important: AFR requires all closing packages to be prepared by AFR for Non-Delegated Correspondent transactions.

Note: Manual locks may be required until pricing engines have been updated.

Freddie Mac/Fannie Mae Texas 50(a)(6) Mortgages

Due to the recently approved amendments to the Texas Constitution affecting home equity lending, Freddie Mac and Fannie Mae have revised applicable Texas Home Equity Uniform Instruments. The amendments were effective on January 1, 2018 and apply to loans made on or after this date. All revised forms must be used with Note Dates on or after January 1, 2018.

Loans must also comply with the other new requirements for Texas Equity Section 50(a)(6) that are effective January 1, 2018.

The recent amendments require lenders to provide a revised notice to the Borrower at least 12 days prior to closing; this revised notice was not permitted to be provided prior to January 1, 2018 for loans originated pursuant to the recent amendments.

Due to the revised notice requirement, AFR **will not** purchase any loans closed during the period of January 1 through January 12, 2018 if those loans have Note Dates on or after January 1, 2018.

VA Jumbo

Effective immediately, AFR has decreased the minimum qualifying credit score on VA Jumbo loans to 620.

Note: Manual locks may be required until pricing engines have been updated.