



February 26, 2018 | The AFR 411 2018-05

American Financial Resources, Inc.



Attention: AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **VA IRRRLs**
- **One Time Close Programs**
- **USDA Repair Escrow Program**
- **Lava Zones**
- **AFR Mortgagee Clause**
- **FNMA Updates**

VA IRRRLs

In order for AFR to align with the policy guidance announced in the VA Circular 26-18-1 dated February 1, 2018, effective with submissions dated on or after March 1, 2018, AFR will require all VA IRRRLs to include the updated Veteran's Statement and Lender Certification that is now required to be disclosed to the Veteran no later than the third business day after receiving the application and with the delivery of the final Closing Disclosure.

One Time Close Programs

Effective immediately, AFR will no longer permit a DPA to be used in conjunction with any of the One Time Close Programs that are offered.

USDA Repair Escrow Program

Effective immediately, AFR has removed the restriction of a roof repair as an ineligible repair and will permit the repair and/or replacement of roof covering materials.

Lava Zones

Effective immediately, AFR will not permit financing on a subject property that is designated as Lava Zones 1 or 2 for all financing types.

AFR Mortgagee Clause

Please note that effective immediately, the AFR Mortgage Clause for Conventional financing and for Title and CPLs on all financing has been updated to reflect the following:

For Homeowners Insurance, HO6 and Flood Insurance on Conventional Financing:

American Financial Resources, Inc.
ISAOA/ATIMA
9 Sylvan Way
Parsippany, NJ 07054

For Title Policies and Closing Protection Letters for all financing types:

American Financial Resources, Inc.
ISAOA/ATIMA
9 Sylvan Way
Parsippany, NJ 07054

See the AFR Resource Center for all other guidance and reminders about Mortgagee Clauses.

FNMA Updates

AFR has adopted all of the Selling Guide updates that were announced in [FNMA SEL-2018-01](#) dated January 30, 2018.