



May 1, 2018 | The AFR 411 2018-10

*American Financial Resources, Inc.*



---

## **Attention: AFR Lending Partners**

### **Topics in this edition of The AFR 411 include:**

- **VA OTC Program Updates**
- **Freddie Mac LTV/TLTV/HTLTV Ratio Updates**

---

### **VA OTC Program Updates**

Effective May 1, 2018, AFR has adopted the updates to the VA OTC Program announced in [Circular 26-18-7](#) dated April 6, 2018, with the exception of the following:

- AFR does not permit the borrower to pay construction interest; this must be charged directly to the builder/retailer.
- AFR does not permit change orders.

Please refer to the VA OTC Program Matrix for all overlays.

### **Freddie Mac LTV/TLTV/HTLTV Ratio Updates**

Effective immediately, AFR has adopted the Freddie Mac increases to the LTV/TLTV/HTLTV ratios for purchases and no-cash out refinance mortgages secured by 2-unit primary residences and second homes.

Revised LTV/TLTV/HTLTV Ratios:

- 2-unit Primary Residences: 85%
- Second Home: 90%

Due to these changes, AFR has updated the rate sheets to reflect updates in pricing.