



MFM Bulletin: 022-2024

Date: September 23, 2024

Subject: Radian Jumbo QM Program updates

Member First Mortgage is announcing the following changes to our Radian Mortgage Capital Jumbo QM Mortgage Program. Attached are the revised program guidelines and below are details of the changes:

Section 1: Credit Matrix

- Primary 1-unit, Purchase & R/T: Increased max loan to \$2.0M with 60% LTV and 760 FICO.
- Second Home, 1-unit, Purchase & R/T: Increased loan amount to \$1.5M with 80% LTV, 720 FICO.
- Second Home, 1-unit, Purchase & R/T: Increased loan amount to \$2.0M with 70% LTV, 720 FICO.
- Second Home, 1-unit, Purchase & R/T: Increased loan amount to \$2.5M with 65% LTV, 720 FICO.

Section 12.2.1: Underwriting Documentation

- Increased allowable age of credit and title documents to 120 days from the Note date (previously 90 days).

Section 14.10: Credit Inquiries

- Reduced lookback period for credit inquiries to 90 days (previously 120).

Section 14.12: Past Mortgage Forbearances

- Removed "If the borrower missed no more than two payments and has since fully reinstated the loan without any loan modification" as an allowable forbearance scenario after months.

Section 15.2: Contingent Liabilities

- For Co-Signed Loans, added clarity to refer to Fannie Mae Selling Guide B3-6-05 for scenarios to exclude certain monthly obligations when debts are paid by others.

Section 16.1: Assets – Retirement

- Increased percentage of eligible Retirement Accounts (401K, IRA, etc.) to 100% (previously 70% max >59 ½ yrs. old, 60% max <59 ½ yrs. old).
- Clarified that "Evidence of access of funds required for employer-sponsored retirement accounts regardless of employment status".

Section 16.1: Assets – Business Funds

- Removed requirement that 2X the reserves for subject property and additional financed REO's when business funds are used for reserves.
- Added guideline: "Business Funds for reserves can be qualified using 50% of verified balance".
- Increased max LTV to 75% when business funds are used for reserves (previously 65 % LTV max).



Section 16.2: Reserve Requirements

- Updated Primary Residence to \$2,000,001 - \$3,000,000 = 24 months reserves (previous max loan was \$2,500,000).
- Reduced max reserves to 24 months for Second Home \$2,000,001 - \$2,500,000 (previously 36 months).

Section 18.6.3: Commission Income

- Removed 2-year tax return requirement for borrowers earning > 25% commission, and now allow 2-year W-2's or W2 transcripts for all commission % levels earned.

Section 25.3: Desk Review Requirements

- Updated approved 3rd party desk review provider to include "Consolidated Analytics" (previously only allowed "Collateral Desk Analysis" by Clear Capital).
- Updated guidelines for Fixed products:
 - If the LTV is greater than 80% and the desk review indicates a value more than 5% below the appraised value, then a field review is required.
 - If the desk review returns a value that is "indeterminate" or indicates a value more than 10% below the appraised value, then one of the following is required.
 - External/drive-by BPO with value reconciliation, or;
 - Field review or 2nd appraisal.

Please contact the MFM Underwriting Dept. (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you