



# WINTRUST MORTGAGE™

**BULLETIN # 10-0519-WC**

**May 19, 2010**

- **1001 - Choice (CH) FHA Insured Fixed & Insured 3 Year ARM:**
  - 1 Year ARM has been eliminated.
  - **ADDITIONAL CONSIDERATIONS** section has been updated with the following:
    - **HUD ANTI-FLIPPING REQUIREMENTS - Effective with locks taken on and after Wednesday, May 19, 2010**, WMC will allow the 90-day waiver for all property sellers, including private sale transactions, but prohibits FHA financing for properties owned less than 90 days if the sales price is greater than or equal to a 20% increase over the seller's acquisition cost. The 90 days is calculated from the seller's acquisition date to the purchase contract date of the new transaction.

Regardless of whom the property seller is, if the resale occurs within 0 to 90 days, the following requirements must be met:

      - All transactions must be arms-length; no identity of interest between buyer, property seller or third parties. Specific ways to ensure an arms-length transaction include:
        - Property seller currently holds title to the property.
        - LLCs, corporations or trusts serving as property sellers must meet all applicable state and federal law.
        - No pattern or previous flipping activity exists on the property (as evidenced by multiple title transfers within 12 months.
        - The property was marketed openly and fairly (Any sales contracts with "assignment of contract of sale" may be a red flag).
      - Transactions with sales price greater than or equal to a 20% increase over seller's acquisition cost are not allowed.