

# WINTRUST MORTGAGE™

**BULLETIN # 10-0604-WC - REVISED**

June 4, 2010

- National Flood Insurance Program (NFIP): **(IMPORTANT)**



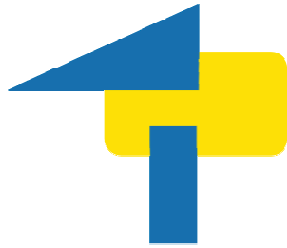
- Similar to the circumstances which occurred in April and announced on April 1, 2010, the authority of the National Flood Insurance Program (NFIP) to issue, renew, or modify flood insurance policies and increase coverage on existing policies expired as of midnight on May 31, 2010.
- Any loan secured by real estate in a "Special Flood Hazard Area" (SFHA), the Borrower has two (2) options:
  1. Purchase the insurance from a private insurer, *OR*
  2. Postpone the loan closing until NFIP insurance can be obtained in an adequate amount.

- ~~Update for Electronic Signatures on Third Party Documents for~~

- ~~FHA Loans:~~ **(REMINDER)**



- ~~Electronic and Digital signatures are allowed on all Third Party documents for ALL FHA transactions (refer to <http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/10-14ml.pdf>) with the following requirement:~~
  - ~~An indication of the electronic signature and date must be clearly visible when viewed electronically and/or in a paper copy of the electronically signed document, such as sales contracts.~~



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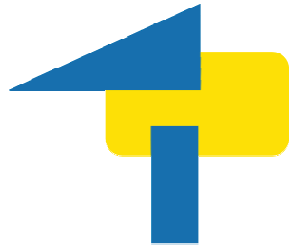
- 306-VA Guaranteed Fixed:



- All American (AM) Interest Rate Reduction Refinance Loans (IRRRL) require the following (Do not apply to American serviced loans):
  - An Exterior Appraisal, Form 2055.
  - Maximum LTV/CLTV 100% based on base loan amount plus the funding fee.
  - Investment Properties ineligible.
  - Condition of property must be at least "average" and any repairs that impact safety or habitability must be completed.
  - Loan amounts over \$650,000 require Full Appraisal.
  - Florida Condos ineligible.

- ALL Choice (CH) Programs:

- Clarification of "Authorized Users of Credit":
  - **Authorized Users** - Are those individuals given permission by the credit account owner to have access to and use of an account. Typically, an authorized user is a relative who is managing credit for the first time.
  - Credit reports containing authorized user accounts require additional evaluation and documentation regardless of any Automated Underwriting System (AUS) recommendation. If the primary account holder is another borrower on the transaction no further action is required.
  - If the primary account holder, including non-borrowing spouses, is **not** another borrower on the transaction and the credit report shows any of the following characteristics, it may indicate the report is not an accurate reflection of the borrower's credit profile:



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- There is a significant difference in credit utilization between the authorized user accounts and primary credit lines,

*Or*

- There is a significant difference when comparing the late payments of the authorized user accounts to the primary credit lines.

*Or*

- The credit limits on authorized user accounts are significantly higher when compared to the primary credit lines.

- The following table provides the documentation requirements that must be obtained when any of the above applies:

Underwriting	Documentation Requirements
Loans Receiving a: <ul style="list-style-type: none"><li>• DU™</li><li>• "Approve/Eligible"</li><li>• LP™ "Accept"</li></ul>	<p>- A letter of explanation from the borrower that identifies the relationship of the primary account holder to be that of a relative (the borrower's spouse, parent, or an individual related to the borrower by blood, marriage, adoption, or legal guardianship),</p> <p><b>And</b></p> <p>- Evidence of three (3) months of recently cancelled checks or account statements to document that the borrower(s) has been making payments on the account(s).</p> <p>If either of these two (2) requirements cannot be met, <b><i>the loan is ineligible for purchase.</i></b></p>

- If the primary account holder is not another borrower in the transaction and the credit report shows any of the following characteristics, it strongly indicates the borrower's credit profile does not meet the required credit report standards:



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- The primary credit lines show both high utilization and excessive past late payments when compared to the authorized user accounts

*Or*

- The primary credit lines show both high utilization and significantly lower credit limits when compared to the authorized user accounts

*Or*

- The primary credit lines show both significantly lower credit limits and excessive past late payments when compared to the authorized user account

*Or*

- The primary credit lines show high utilization, excessive late payments, and have significantly lower credit limits when compared to the authorized user accounts.

- The following table provides the documentation requirements that must be obtained when the above apply:

Underwriting	Documentation Requirements
<p><b>Loans Receiving a:</b></p> <ul style="list-style-type: none"> <li>• DU™</li> <li>• “Approve/Eligible”</li> <li>• LP™ “Accept”</li> </ul>	<p>- A letter of explanation from the borrower that identifies the relationship of the primary account holder to be that of a relative (the borrower's spouse, parent, or an individual related to the borrower by blood, marriage, adoption, or legal guardianship),</p> <p><b>And</b></p> <p>- Evidence of six (6) months of cancelled checks along with the account statements to document that the borrower(s) has been making payments on the account(s).</p> <p>If either of these two (2) requirements cannot be met, <i>the loan is ineligible for purchase.</i></p>