

Rental Housing Obligations, Lender Recertifications and Holiday Closure

Purpose

This announcement includes the following topics:

- ✓ Revised requirements for:
 - Rental housing obligations
 - ✓ Lender Recertifications
 - ✓ Holiday Closure – *Labor Day*
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Rental Housing Obligations

Effective for applications dated on and after August 25, 2020 Mortgages with a non-occupying Borrower and mortgages secured by second homes and/or investment properties, when the Borrower does not own, but rents their principal residence (i.e. the primary residential property physically occupied by the Borrower), the monthly rental housing payment for that principal residence ***must be*** included in the calculation of the monthly housing expense-to-income ratio.

The rental housing payment included in the monthly housing expense-to-income ratio must be documented as follows:

- ✓ Direct verification of rent from a management company, or
 - ✓ Direct verification of rent from an individual landlord (supported by 2 months of canceled checks or other evidence of 2 months' payments), or
 - ✓ A copy of the current, fully executed lease agreement (supported by 2 months of canceled checks or other evidence of 2 months' payments), or
 - ✓ Six months (6) of canceled checks or bank statements supporting consistent payments in the amount used in qualifying
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Rental Housing Obligations, Lender Recertifications and Holiday Closure, Continued

Lender Recertification

FSM is requiring **ALL** Sellers to recertify for 2020 at this time. This is regardless of:

- ✓ How a loan is closed
 - Wholesale (closing in FSM name)
 - Mod Corr (closing in your own name)
- ✓ Date of originally approved
- ✓ Date of current financials

Recertification packages are required to be completed and returned to FSM no later than Saturday, October 31st. Failure to return the Recertification package and all applicable documentation may result in the suspension of your business partnership with FSM.

For your convenience, the link below goes directly to the required page:
[FSM Recertification Package](#)

Holiday Closure

FSM will be closed in observance of Labor Day

- ✓ **Monday, September 7, 2020**
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Questions

Retail – Please contact your Manager
Mod Corr – Please contact Brent Wilder, National Account Executive at bwilder@fsmloans.biz
