



**From the Desk of Carlos Perez**  
Chief Credit Officer for Single-Family

October 2, 2018

## **Executive Overview of *Selling Guide* Updates**

The October 2018 *Selling Guide* Announcement includes policy changes to enable more creditworthy borrowers to qualify for a mortgage loan, clarify appraisal requirements for MH Advantage™ homes, and more. This update:

- **Makes it easier to verify employment for union members.** For borrowers who work in certain occupations, such as skilled construction workers or longshoremen, where a union facilitates the borrower's placement in each job assignment, the union may provide the verbal verification of employment. In addition, the union may provide an executed employment offer or contract for future employment when otherwise allowed under our *Selling Guide* policies.
- **Expands our policy for use of employment-related assets as qualifying income.** In response to lender feedback, we have expanded our policy for using employment-related assets, such as funds sourced from a severance package or lump sum retirement payment, to generate an income stream for qualifying purposes. We have increased the maximum loan-to-value ratio from 70% to 80%, when the owner of the assets being used is at least 62 years old at the time of closing.
- **Provides more flexibilities for appraising MH Advantage homes.** Appraisers must use sales of other MH Advantage homes when available. If fewer than three comparable sales of MH Advantage homes exist, the appraiser must follow the comparable selection requirements outlined in the *Selling Guide* and supplement their findings with the "best and most appropriate" sales available, which may include site-built homes.
- **Clarifies our policies for mortgage processing and third-party originators.** We've simplified the *Selling Guide* by clarifying our requirements regarding the outsourcing of mortgage processing and lender management of third-party originators. We've removed extraneous examples and consolidated existing content to make it easier for lenders to understand our requirements.

See [Announcement SEL-2018-08](#) for details of these and other miscellaneous updates.

Thank you for your continued partnership. I hope these changes provide more certainty in your business and more access to sustainable homeownership for your borrowers.

Carlos Perez