



Date: March 16, 2016

Announcement #2016-08

Topic: CalHFA Mandatory Reminders and Changes

## PBM Announcement

Source: PBM Corporate Underwriting

Distribution: PBM Retail and Wholesale

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### Effective March 16, 2016

- *Revised:* All Loans in the pipeline will not be reserved/locked until the loan is **APPROVED** in Empower by an Underwriter.
- *New:* Underwriters/Doc Drawers/Funders will be responsible for ensuring that the following condition is added to the *1<sup>st</sup> Mortgage* LSN, in-order to be a condition on PBM's Lenders Instructions to title and/or escrow companies for the following product codes:
  - *CONVMHM2ND*
  - *FHAMHM2ND.*
    - **The MYHOME PBM Loan #\*\*\*\*\* MUST be recorded in 2<sup>nd</sup> lien position.**
- *Reminder:* CalHFA's Loan Scenario Calculator **MUST** be ran:
  - at processing prior to submission to Underwriting **and**
  - again at Underwriting prior to loan documents to alleviate **principal reductions** and **to ensure accurate loan amounts** on the 1<sup>st</sup>, 2<sup>nd</sup> and if applicable 3<sup>rd</sup> liens.
  - <http://www.calhfa.ca.gov/calc/scenario.html>
- *Reminder:* Underwriter to pull and review a soft pull (Credit Report) within 48 hours of funding.
  - No Exceptions
- *Reminder:* Both the CalHFA Loan Approval and CalHFA Reservation/Lock must be behind the 1008 or LT in each applicable loan file.
  - *i.e. 1<sup>st</sup> and 2<sup>nd</sup> or 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>.*