

CUSTOMER ANNOUNCEMENT

CUA 2020-11 | November 18, 2020

► COVID-19 — Updates and Extensions to Temporary Underwriting Requirements

Fannie Mae and Freddie Mac have announced an update to COVID-19-related temporary underwriting requirements for members with qualifying income derived from self-employment. They have also announced an extension to expiration dates to some temporary requirements. Fannie Mae updated Lender Letters LL-2020-03 and LL-2020-04, and Freddie Mac issued Bulletin 2020-44. See the links below for the Agencies' communications.

Update to the Temporary Requirement for Verifying Self-Employment Income

The Agencies have announced a change to the temporary requirement for verifying self-employment income. Effective for loan applications dated on or after December 14, 2020 (however, credit unions may implement sooner), they have increased the number of months' business bank account statements required from two to three months when an unaudited year-to-date profit and loss statement is used to verify income. Arch MI **will align** with this update.

Links to the Agency Communications:

FANNIE MAE	FREDDIE MAC
<ul style="list-style-type: none"> Impact of COVID-19 on Originations Lender Letter LL-2020-03 	<ul style="list-style-type: none"> Selling Guidance Related to COVID-19 Bulletin 2020-44
<ul style="list-style-type: none"> Impact of COVID-19 on Appraisals Lender Letter LL-2020-04 	

Arch MI will continue to issue communications as this situation evolves. At this time, our published Credit Union Underwriting Manual will not be updated. Effective immediately, you may underwrite using the information in this announcement.

Extension of Temporary Underwriting Requirements

The Agencies announced the extensions of COVID-19-related temporary underwriting requirements set to expire for loan applications through November 30, 2020, to December 31, 2020.

As previously noted in CUA 2020-09, Arch MI will align with all Agency date extensions to the COVID-19-related temporary underwriting requirements unless otherwise notified.

For more information, contact your **Arch MI Account Manager**.