



ANNOUNCEMENT#09-31, November 18, 2009

To: All Michigan Mutual Brokers

Re: Compliance Announcement

Topics discussed in this Compliance Announcement:

- USDA - properties located in a 100 year flood plain
- FHA – properties recently listed for sale policy
- Conventional - DU change in max DTI
- Conventional - Rental Property Operating Income Statement requirements

USDA Properties in 100 year flood plain

Effective immediately, properties located in a 100 year flood plain will no longer be eligible for financing with MMI.

FHA Properties listed for sale policy

Cash Out Refinances:

- On cash out refinances, the listing agreement on the subject property must be cancelled a minimum of six months prior to the application date, or the loan is subject to a maximum loan-to-value of 70%. In all circumstances, listing agreements must be cancelled prior to the loan application. This change is effective immediately.

Rate and Term Refinances

- No change has been made to our policy regarding rate term refinances.

DU maximum 45% DTI

Effective with loan submissions on or after 12/01/09, all conventional loans will have a maximum DTI of 45%, regardless of the DU findings. All loans with a DTI greater than 45% that were submitted prior to 12/1/09 must close by 12/12/09.

Non-Owner Occupied Properties

All Non-Owner Occupied Properties will require an Operating Income Statement and Comparable Rent Schedule to be included with the appraisal. This requirement applies to all NOO properties (including SFR's) regardless if using rental income or not.

Please contact your account executive if you have any questions.