



## ***Announcement 19-19C***

### ***FHA Guideline Update (REVISED)***

Effective with applications on and after Wednesday, July 17, 2019.

In order to comply with FHA's requirement to fully analyze increases in housing expense and derogatory housing payment history, the following will be required on all FHA loans with applications on or after July 17, 2019.

#### **Payment History**

All credit qualifying FHA loans will require a 12 month rental or mortgage rating. ~~More than one 30 day late requires a manual downgrade.~~ **Two (2) or more 30 day late requires a manual downgrade along with extenuating circumstances.**

#### **Residual Income Requirement**

The VA Residual income standard must be met for all credit qualifying FHA loans, regardless of manual or AUS underwriting type, when any of the following risk factors are present.

- One or more housing related late payment(s) reported in the last 12 months
- Payment shock exceeds 130% (or the applicants do not have a current housing payment).