



Announcement 20-17C

Guideline Updates and Changes

Effective May 30, 2017:

The following areas of Mortgage Solutions' guidelines have been updated. All changes and additions appear in **red**.

CONVENTIONAL GENERAL

Inducements to Purchase

- ~~Expenses paid by the seller above and beyond reasonable and customary closing costs and pre-paid expenses are considered an inducement to purchase and result in a dollar-for-dollar reduction to the sales price before applying the appropriate LTV ratio~~
- ~~Personal property items such as cars, boats, riding lawn mowers, furniture, televisions, etc., given by the seller to consummate the sale result in a reduction to the mortgage~~
 - ~~The value of the item(s) must be deducted from the sales price and the appraised value of the property (if not already done so by the appraiser) before applying the LTV ratio~~
 - ~~Value of items must be established and cannot reflect zero value~~
 - ~~Either garage sale value or if new, a receipt for the cost must be provided~~
- ~~Inducements to purchase include but are not limited to the following:~~
 - ~~Seller-paid closing costs and pre-pays in excess of the allowed amount based on program or in excess of the actual closing costs and pre-paid expenses~~
 - ~~Repair allowances~~
 - ~~Excess rent credit~~