# BULLETIN

**FLCBank**

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BROKER / WAREHOUSE LINES / NON-DELEGATED CORRESPONDENT

## NOTICE TO CORRESPONDENT CUSTOMERS

### Credit Updates, Best Practices and Lender Responsibility Reminders

#### Freddie Mac Income Updates

Freddie Mac announced in [Bulletin 2023-22](#) specificity to employment income history, earnings types, and income calculation requirements for borrowers with employed income; furthermore, Freddie Mac also reminds lenders of the importance and requirement of including a written income analysis in the mortgage file. FLCBank aligns with these updates.

Please refer to Freddie Mac Seller Guide Section 5303.4(d) and [Stable Monthly Income FAQ](#) for complete requirements.

#### VA IRRRL Updates

VA announced enhancements made to WebLGY via [Circular 26-24-07](#). The enhancements are designed in providing lenders with additional information when ordering an Interest Rate Reduction Refinancing Loan (IRRRL) case assignment to help lenders ensure compliance with VA and GNMA requirements and resolve any inconsistencies discovered in the terms of the loan being refinanced.

Effective with loan submitted for purchase to FLCBank on or after 5/7/2024, Correspondents are required to include a screenshot of the WebLGY Loan Status & History screen in the loan file to validate loan seasoning requirements have been met for VA IRRRL transactions.

## Form 4506-C Best Practices

To reduce 4506-C transcript request rejections due to inaccurate or improperly executed 4506-C Forms and to ensure compliance around the validation of income in the Quality Control process, FLCBank reminds Correspondents of the importance of providing a properly completed 4506-C Form.



**LINE 1a (REQUIRED):** Enter name of the borrower **as it appears on the most recent tax return**

**LINE 1b (REQUIRED):** Enter the SSN of the borrower

**LINE 3 (REQUIRED):** Enter current address, including unit, or suite number

**LINE 4:** Enter address as it appears on the most recent tax return **if different from the address on line 3. This line can contain multiple previous addresses**

**LINE 5a (REQUIRED):** Must contain one of the Pennymac approved IVES Vendors. Limited to one company. **Cannot be left blank.**

**LINE 5b and 5C:** Must be left blank

**LINE 5d:** Enter the Correspondent name here. Must contain only one name, cannot use c/o or DBA. **Cannot be left blank.**

**LINE 6:** Enter return type requested (1040, 1120, 1120S, or 1065). Do not select if selecting line 7.

**LINE 6a-c:** Only check box 6a. Leave 6b and 6c blank

**LINE 7:** Check the box if you desire form W-2, 1098-E, 1099-G or 5498 series etc. Do not select if selecting line 6.

**REQUIRED: Check signatory box**

**SIGNATURE:** Primary taxpayer and/or spouse (if joint return) **must sign the form exactly as it appears on the tax return** for the most recent tax year requested. If the name changed, sign both the current name and former name

**LINE 1a.iii:** Field is limited to a **maximum of 22 characters**

**LINES 2a:** Enter the name of the **spouse as it appears on the most recent tax return**

**LINES 2b:** Enter the spouse's SSN

**IMPORTANT REMINDERS**
- **IRS Form dated October 2022 is required**
- Form content **must be legible**
- Alterations to the form information **cannot be made by any party**
- Dates must be in MM/DD/YYYY format
- Date **must fall within 120 days** of IRS receipt

**LINE 8 (REQUIRED):** Enter the fiscal tax year(s) requested in MM/DD/YYYY format

**DATE:** Enter the signature date in MM/DD/YYYY format. The form will be rejected if the date is past 120 calendar days from the signing date to the date processed by the IRS

**PRINT/TYPE NAME:** The signatory name **must be printed/typed below the respective signature**

**TITLE:** Title of signatory must be found in the acceptable business / trust title section above.

If you have any questions, please contact your **Account Executive or Client Relations Representative**.