



BROKER / WAREHOUSE LINES / NON-DELEGATED CORRESPONDENT

Thursday, July 18, 2024 Bulletin #2024-AC-013

NOTICE TO ALL CUSTOMERS

Important USDA Credit Guideline Updates

FLCBank is notifying customers of the upcoming updates being made by USDA effective August 5, 2024 to the Single-Family Housing Guaranteed Loan Program Handbook 3555-1announced via Advance Notice June 25, 2024

Debt-to-Income Ratio Analysis

- Increased housing ratio from 29% to 34% on GUS Refer or Manual Downgraded loans.
- Added additional compensating factors to consider approval of a DTI ratio waiver.
- Added additional guidance in order for lenders to exclude business debt(s) reported on the borrower's personal credit report when all of the following conditions are documented:
 - o Business debt reported on the personal credit report is paid through a business account.
 - Acceptable evidence is provided with cancelled checks or bank statements from the business account for the previous 12 months documenting the debt is paid by the business.
 - Payments made by the business must be included in the cash flow analysis and/or business profit and loss statement.

If you have any questions, please contact your <u>Account Executive or Client Relations Representative</u>.

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