



Correspondent

Lakeview Loan Servicing

Agency

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Community Loan Servicing, LLC offers niche products.
Lakeview Loan Servicing, LLC offers traditional Agency, FHA, and VA products.

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This information is for lending institutions only, and not intended for use by individual consumers or borrowers. CLS programs are offered to qualified residential lending institutions and are not applicable to the general public or individual consumers. Equal Housing Lender.



Contact Us
(855) 253-8439

www.lakeviewcorrespondent.com

Fannie Mae SEL-2023-04

Channel:

- Correspondent – Delegated
- CalHFA
- Cook County
- DC HFA
- Home in Five
- metroDPA
- LHC
- SC Housing
- TSAHC
- The National

Products:

- Bayview Fannie Mae Conforming & High Balance
- FNMA Conforming and High Balance
- FNMA HomeReady
- FNMA HFA Preferred

Effective Date: Immediately

On May 3rd, 2023 Fannie Mae issued [SEL-2023-04](#), which included, but was not limited to the topics listed below. Lakeview will be aligning with the Fannie Mae updates, please read the announcement in its entirety for complete details.

- **Shared Equity and Shared Appreciation**
 - Reorganized and added content in Chapter B5-5 to provide clarity for Community Seconds loans, Community Seconds loans with shared appreciation, loans with resale restrictions (non-shared equity), and loans with shared equity provisions.
- **Subordinate Financing**
 - Issued a reminder that subordinate financing must be evidenced by a promissory note and reflected in a recorded security instrument that is clearly subordinate to the first mortgage.
- **Alternative for Tax Filing Documentation**
 - Updated the policy to permit proof of e-filing of IRS Form 4868 or payment confirmation of all or part of the estimated income taxes due to support that the borrower has filed an extension.

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Important Reminder: Quality Assurance and Data Integrity

Channel:

- Correspondent Delegated
- All HFA

Products:

- All Products

Effective Date: Immediately

Lakeview is issuing this reminder to stress the importance of determining the eligibility and proper documentation of every loan file. It is the responsibility of the Lender to ensure that all loans submitted for purchase have been documented in accordance with the respective agency and Lakeview and Community Loan Servicing guidelines.

Please review the important requirements detailed below and ensure that adequate measures are in place to mitigate errors.

Mortgage Credit Certificates (MCCs) Calculations

All Lakeview products, including FHA, require that the MCC be added as income rather than applied as a reduction to the principal, interest, taxes and insurance. The MCC should be calculated as $[(\text{Mortgage Amount}) \times (\text{Note Rate}) \times (\text{MCC \%})] / 12$. For example, if a borrower obtains a \$200,000 mortgage that has a note rate of 5.0% and they are eligible for a 20% credit under the MCC program, the amount that should be added to their monthly income would be \$167 ($\$200,000 \times 5.0\% \times 20\% = \$2000 / 12 = \$167$).

Please be sure to always refer to the specific investor and/or HFA guidelines for full details and requirements, including any caps, prior to utilizing a mortgage credit certificate.

Pre-Close Verification of Employment

Borrowers not employed at the time of closing continues to be a driver for repurchase activity. Lenders are reminded to ensure that re-verification of employment is completed within the appropriate timeframes as required per agency and type of employment. This process is critical to mitigating risk by confirming, as close to the time of closing as possible, the borrower's employment status is consistent with the initial loan application and the borrower's capacity to repay remains unchanged. Be alert to "as of" effective dates when using automated third-party verification tools as this information can sometimes be dated.

Undisclosed Debt Monitoring

Lakeview/CLS reminds all lenders of the importance of having a process and controls for monitoring undisclosed debt prior to closing to ensure the accuracy of the debt-to-income ratio and the borrower's ability to repay the loan. Please reference this helpful [tip sheet](#) from Fannie Mae on ways to mitigate this common defect.

Bayview/Lakeview Exclusionary List

Lenders are reminded that Lakeview/CLS have established an Exclusionary List identifying certain individuals and businesses. Lakeview/CLS will not purchase a loan where an individual or company on the Exclusionary List was directly or indirectly involved in the transaction. Lenders are reminded to check all parties against the Exclusionary List, which is available on the Lakeview Delegated/Closed Loan Portal.

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Proper 4506-C Completion

The correct completion of Form 4506-C is a critical component in positioning the Quality Control function to identify potential income/employment discrepancies and enhance loan quality. Below are the most frequently recurring reasons for IRS rejection of Form 4506-C:

- Information such as name, address, mailbox, or TIN is missing or does not match to IRS records. Please confirm with the borrower(s) that the form information matches to their most recently filed returns, particularly the name and address format.
- Attestation box not checked
- The tax year information was omitted or is incorrect
- Information on the form is not legible
- An important signature is missing

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