



**Announcement:** CWL2021-18

**Issue Date:** July 9, 2021

**Effective Date:** July 9, 2021

**Attachment:** VA Guidelines; Conventional Guidelines

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**VA Enhancement – Reduced FICO Score and Conventional Enhancements – DU Asset  
Documentation for Refinance Transactions and DU Borrower Eligibility**

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**VA Enhancement**

CWL is pleased to announce lower FICO score requirements for purchase transactions. Minimum FICO score is now **580** (reduced from 620). FICO scores 580-619 range must meet manual underwriting guidelines.

**Conventional Enhancements**

**Asset Documentation - DU**

Fannie Mae announced reduced asset documentation requirements for refinance transactions. Effective immediately, lenders may begin using the most recent bank statement or investment portfolio statement. The statements must cover the most recent full one-month period of account activity (30 days, or, if account information is reported on a quarterly basis, the most recent quarter).

This change is in alignment with the DU validation service. DU will be updated in a future release to only require a bank statement covering a one-month period on refinance transactions. Until that time, a one-month requirement may be applied to DU loan casefiles.

**Borrower Eligibility - DU**

Enhanced borrower eligibility has been added for Desktop Underwriter (DU) mortgages when not all borrowers have a useable credit score.

If one (or more) borrower(s) has a fico score and at least one borrower does not have a fico score, the following requirements must be met:

- The property must be a one-unit, principal residence, and all borrowers must occupy the property.
- The transaction must be a purchase or rate/term refinance.
- The loan amount must meet conforming loan limits. High balance is ineligible.
- Reserves may be required as determined by DU.
- If the borrower(s) with a credit score is contributing more than 50% of the qualifying income, documentation of non-traditional credit history for the borrower(s) without a credit score is not required.
- If the borrower(s) with a credit score is contributing 50% or less of the qualifying income, documentation of non-traditional credit history for each borrower without a credit score is required.
- Price adjustments may apply.