



## COVID- 19 Updates

### IMPORTANT FORBEARANCE UPDATE

#### Conventional Products

Cornerstone Correspondent Memo dated April 8<sup>th</sup>, 2020, noted that Cornerstone Home Lending, Inc is aligned with current GSE guidance pertaining to Verification of Employment and are adapting the following guidance with regards to forbearance. Please refer to FNMA Lender Letter 2020-06 and FHLMC Bulletin 2020-12 for further information.

#### Effective Immediately:

If a loan is in forbearance or if a borrower initiates an inquiry regarding forbearance prior to CHL acquiring the loan, the loan is no longer eligible for sale.

In response to agency policy recently issued, CHL's forbearance policy is being updated for loans locked Monday May 4<sup>th</sup>, 2020 and beyond. The following agency loan-level price adjuster (LLPA) will be applicable for any loan that goes into forbearance after the CHL acquisition date and prior to settlement with the agencies:

- **500** Basis points (.500) for loans to first-time homebuyers.
- **700** Basis points (.700) for all other transactions.
- Note: The forbearance LLPA is in addition to all other applicable LLPA's and are not subject to any cap.

Please note that any Conventional Cash-Out transaction that enters into forbearance following the CHL acquisition date and prior to agency settlement will be subject to repurchase.

Please contact your Account Executive Jeff Mayes, or Mariana Breech should you have any further questions.

**AS ALWAYS, THANK YOU FOR YOUR BUSINESS!!**