



To: All Correspondent Lenders

From: Standard Mortgage Corporation

Date: December 15, 2022

Good morning,

Our Funding Team has noticed an increased use of Freddie LPA when running AUS for FHA loans. Freddie will not give an Eligible/Accept finding and only returns Ineligible/Accept for all FHA Loans. Fannie, however, provides the highest confidence with their Approved/Eligible response. Therefore, Standard Mortgage will only accept FHA loans with a Fannie AUS finding of Approved/Eligible until further notice. SMC does not accept manually underwritten loans as stated on the Credits and Overlays sheet.

FHA Loans closed after 12/31 will not be accepted with a Freddie AUS. Loans already delivered to SMC that are in queue for review will be allowed for purchase. However, should SMC have an issue when delivering any of these loans to Investors, SMC may require the originating lender to buy back the loan.