

Alternative Credit Policy

Loans containing alternative credit documentation have a much higher incidence of fraud and default when compared to loans with traditional credit references. Today's technology makes alternative credit documentation easier to produce with fraudulent intent. As a result, **UNM Wholesale** has modified its policy as it relates to "Alternative Credit Procedures" in order to mitigate further risk to **UNM Wholesale**.

Based upon the recommendations of FHA and previous audits, we have instituted the following policies which must be adhered to:

1. All original alternative credit letters must be signed by the individual who wrote the letter and must appear on letter-head or must clearly indicate the company name, address, access phone number and title of the signing party. **Email credit reference letters are not acceptable.**
2. If any company refuses to sign a credit letter such as Columbia Gas, a Processor certification may be acceptable as a "Limited Scope Exception". This exception will be on a case by case basis and must be acceptable to Underwriting.
3. **UNM Wholesale** does not accept print-outs showing the borrower's payment history. In lieu of, Processors may assist with certifications with major utility companies only.
4. Credit Agencies may update your credit report with alternate credit references with a credit score update file, provided documentation is forwarded to assist in completing the verification.
5. Continue to perform Processor Certifications as required to verify the authenticity of the letter. If anything falls within the "gray area", **UNM Wholesale** will take a conservative approach.