



TIPS AND TRICKS

UHM

FROM THE UNDERWRITING HELPDESK

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UNION WORKERS

UNION EMPLOYMENT - EMPLOYED AT TIME OF CLOSING

Employment at the time of Closing is dependent on the trade type that the borrower is employed in.

Fannie Mae

If the trade is one which is subject to seasonal layoffs due to weather conditions (cold weather/snow, etc.), Fannie Mae would not require the borrower to be employed at the time of Closing (if Closing is occurring during a normal seasonal layoff period). However, borrower should evidence a history of Unemployment Income receipt in such instances for at least 2 years. If the borrower is employed in a trade that is NOT affected by weather/subject to seasonal layoff periods, then the borrower would be required to be on the job at the time of Closing. A VOE is needed prior to closing regardless of borrower being on the job or not; if they are a seasonal, union employee, confirmation of their expected rehire must still be acquired.

Freddie Mac

Borrowers may or may not be in between employers at the time of Closing. If it is determined by the Lender that the borrower's employment/income history is stable, and it has been documented that the borrower historically is subject to seasonal layoff periods, it may be acceptable to obtain verification from the Union that the borrower is in a seasonal layoff period, with expectation to be back to work/re-assigned once the layoff period for the season has ended. **Like Fannie Mae requirements.**

FHA

Borrower is required to be on the job/employed at the time of Closing. If the borrower is not on the job/employed at the time of Closing, verification must be provided and documented as to how the borrower is going to be able to make the mortgage payment on the subject transaction, along with all other noted liability payments and cost of living expenses. VOE from Union to verify the length of time as union worker and current VOE if employed by a company. Need year to date income and all W-2 for past 2 years to average for at least 2 years. Borrower ability and willingness to pay needs to be strongly documented. **Underwriter discretion would be applied**

VA

Borrower is required to be employed with a company as a Union Member at the time of Closing. Normal employment requirements must be evidenced in the file. If Unemployment compensation is a regular part of the borrower's income due to the nature of his/her employment it may be included (for example, seasonal work.) Note: Additional income documentation needed is as follows: A) documentation of the borrower's total YTD earnings B) Signed & dated individual income tax returns for the previous two years and C) if the borrower works for a union, evidence of the union's history with the borrower.

RD/USDA

Borrower is required to be employed with a company as a Union Member at the time of Closing. Normal employment requirements must be evidenced in the file.