

Roundhouse Lending

Bulletin

GUIDANCE RELATED TO THE FEDERAL GOVERNMENT SHUTDOWN 10/1/2025

INTRODUCTION

This Bulletin provides temporary guidance to assist (Brokers) with Roundhouse's policies that may be impacted. This guidance is effective immediately.

EMPLOYMENT

Mortgages made to government employees and other workers directly impacted by the shutdown, are still eligible for delivery to Roundhouse, provided that the (Broker) has no knowledge that the borrower will not return to work after the shutdown ends. The borrower may be on furlough or may be exempt from furlough status but may be experiencing an interruption from pay due to the shutdown.

Verification of Employment: Roundhouse still requires attempts made to obtain a Verbal Verification of Employment ("VOE").

- If the VOE is unavailable during the shutdown, the VOE requirement can be waived, as long as the loan file can be documented with a written statement describing the following:
 - The steps taken to obtain the VOE
 - That the requirement could not be met as a direct result of the shutdown
 - Validation of employment by the DU validation service will result in loans remaining eligible provided the loan complies with the "close" by date in the DU messages.
 - For borrowers in the military whose employment is not validated by the DU validation service, a Leave and Earnings statement dated within 120 calendar days prior to the note date in lieu of a verbal VOE is permitted.

****VOE waivers do not apply to FHA VIP "VOE only programs" or non-QM VOE only programs.**

****FHA loans, VOEs should be obtained prior to endorsement, but can be waived prior to funding.**

Paystubs: Year to date paystubs (YTD) may be dated more than 30 days before the application received date, provided that the YTD paystub is from the pay period that immediately precedes the shutdown related payroll interruption. This must be documented with a letter of explanation.



GOVERNMENT VERIFICATIONS

During the shutdown, there may be interruptions with the IRS and the social security administration. These delays may impact processing times.

IRS Transcripts: Borrowers are required to sign an IRS form 4506-C for individuals and for businesses for self-employed borrowers.

Fannie Mae/FHLMC: Where the most recent years tax returns are not obtained and no transcripts are available, loans must still meet the requirements outlined in the agency guides, Allowable Age of Credit Documents and Federal Income Tax Returns.

Social Security Number Validation: When data integrity issues exist pertaining to borrower's social security numbers and/or CAIVRs, these items must be resolved prior to closing/delivery. If the social security administration or FHA is unavailable to validate these items, the loan may not be eligible.

RESERVES

If the shutdown extends for a longer period of time, we will implement the following for impacted borrowers, as of November 1, 2025:

- Two months reserves, using the monthly PITI, or
- The greater of the amount of reserves required by DU, or
- For manually underwritten loans, the amount of reserves required by agency guidelines

** Additional overlays may be required

USDA

Loans that do not have conditional commitments will not be eligible during the shutdown.

FLOOD INSURANCE

Roundhouse's requirements for flood insurance remain unchanged during the time of the shutdown. The requirement is for flood insurance to be in place at the time the loan is closed with the borrower. Expect delays with FEMA.