MFM Bulletin: 001-2026

Date: January 16, 2026

Subject: Borrower Addition or Removal for Qualifying Purposes

MFM has updated our procedures regarding the addition and removal of borrowers on loan applications for qualifying purposes. Previously, once a loan file had progressed into underwriting, adding or removing a borrower for qualifying reasons required withdrawing or denying the file and starting a new application.

Effective immediately, MFM will now permit the addition or removal of borrowers during underwriting for qualifying purposes, provided the file does not contain any disqualifying factors that would prevent the issuance of a new initial disclosure package (such as a change in lender channel or if a Closing Disclosure has been issued).

The updated procedures (attached/below) outlines when a new initial package cannot be issued.

When permitted, a new initial disclosure package will be generated and issued to all applicable borrower(s).

Please review the full procedures (attached to this bulletin email and below) for detailed guidance on eligibility, file requirements, and step-by-step procedures to be followed.

Please contact Pam Trudeau, VP of Credit Policy at Pam.Trudeau@memberfirstmortgage.com if you have any questions or concerns pertaining to this update.

Thank you

1.16.2026

Borrower Addition or Removal for Qualifying Purposes

Background:
Historically, if a loan file progressed into underwriting and the borrower(s) no longer qualified, the file would need to have been withdrawn or denied based on the situation and a new file would be created.

Procedure Update:
Our updated procedures now permits the addition of new qualifying applicants to an active loan file for underwriting consideration. The procedures also permits the removal of an existing borrower(s).

Underwriting:
If a file does not qualify based on the current borrower(s), and adding a qualified borrower or additional income could help qualify the loan, the underwriter will suspend the file, and condition for the possible restructure. The Underwriter will contact the MC/MLO to discuss the possible addition of a qualifying applicant(s) or inquire if additional income is available.

Disclosures:
New initial disclosures must be generated, issued, and signed by all remaining and newly added borrower(s). This is a manual process (task) to be added by the MC/MLO **within 3 business days** of adding or removing a borrower. Refer to the *Blue Sage LOP Processes and Procedures Guide* for complete instructions. Please reach out to salessupport@memberfirstmortgage.com for assistance.

A new disclosure package **cannot** be issued under the following circumstances:

- If the change would result in a CU partnership channel change
- If a preliminary Closing Disclosure has already been issued

MC/MLO Responsibilities:
The MC/MLO will manage communication with the borrower(s). Refer to the *Blue Sage LOP Processes and Procedures Guide* for complete instructions.

Adding a Borrower:
If the loan does not currently qualify, the MC/MLO should ask the borrower whether they have additional income sources (if applicable) or if another qualifying applicant should be added for underwriting review.

Removal of a Borrower:
To remove a borrower from an active loan file, the MC/MLO or Processor must obtain and upload an email from the borrower confirming that they wish to be removed from the application.

Please reach out to salessupport@memberfirstmortgage.com for assistance.