



## AAA Capital Investment, Inc.

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# Subject: AAA Trust Income Policy Updates

To: All Customers

Date: 09/18/2023

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Fannie Mae has updated requirements related to trust income, which we will follow as well. Please note and announce all if needed.

First, we added a requirement that funds used from a trust for down payment, closing costs, or reserves must be subtracted from the total funds available to determine if the income meets the requirements in Continuity of Income in B3-3.1-01, General Income Information.

Additionally, we are differentiating treatment of variable and fixed trust payments as follows:

- Variable trust payments require a minimum 24-month history of receipt and must be documented with two years of tax returns.
- Fixed trust payments require a minimum 12-month history of receipt (unless certain conditions apply). If the borrower is unable to document a 12-month history, the trust documentation must reflect
  - fixed payments,
  - the borrower is not the grantor of the trust, and
  - at least one payment must be received prior to loan closing.

In either case, proof of current receipt of the income is required and must be documented with a current bank statement or equivalent documentation.

Lastly, we included a requirement that when eligible employment-related assets are liquidated and placed in a trust within 12 months of the loan's application date, it must comply with the policies in Employment-Related Assets as Qualifying Income.

Effective: Loan application date on or after 09/18/2023.

### CUSTOMER SUPPORT

If you have any questions on the contents on this, please email

[gdunderwriting@aaalendings.com](mailto:gdunderwriting@aaalendings.com) or call the Underwriting Dept. at (626) 566-7208