

Dear Stewart Partners,

We hope all of you are enjoying the sun. It has made a rare appearance, but hopefully it'll be around for more than just two days!

In this week's update we want to remind you that our underwriting requirements relating to hard-money or private loans have been modified. We've limited the kinds of transactions requiring approval, and we've streamlined the approval request form. For all the details, see below. Additionally, we are sharing two real estate market related studies we found interesting. The first is a report on the flipping market and how some parts of Massachusetts are seeing massive increases in the amount of homes being purchased by investors to flip. The other is a news report from CNBC, which ranked the top 10 most expensive states to live in last year. Three New England states made the top 10 list.

- *UNDERWRITING - Non-Institutional / Hard Money / Private Lender Transactions: Bulletin MU2021001*

We've recently revised and updated our underwriting approval process for certain hard money / non-institutional loans. Approval is required when you are insuring a transaction in which a loan is being made by a non-institutional lender and one or more of the factors listed below exist:

- All or some of the loan funds will be used for construction, rehabilitation or remodeling
- All or some of the loan funds will be used to pay off a construction loan
- Property is owned "free and clear"
- Closing will not take place at the issuing agent's office or is a "mail-away" closing
- Use of a Power of Attorney for any transaction documents
- 24-month chain of title discloses nominal transfers or transfers without simultaneous financing
- Borrower or Seller is receiving funds in excess of \$25,000.00
- The number of mortgagees/beneficiaries exceeds four

To obtain approval, simply complete the streamlined approval form and forward to your Stewart underwriter. To read the complete bulletin and access the streamlined request form, follow this link: <https://www.virtualunderwriter.com/en/bulletins/2021-6/mu2021001.html>

- *Nationally Home Flipping Rates Fall, but Not in Boston or Springfield*

ATTOM's first quarter 2021 U.S. Home Flipping Report tracks flipping of single family homes and condominium units in the United States. ATTOM reported that 2.7% of all homes in this category were flipped in the first quarter of this year. This figure is the lowest it has been since

2000. However, two municipalities in Massachusetts were outliers and saw a huge increase in the percentage of flips. Specifically, Springfield's rate was up 114% and Boston's was up 79%. To read the full report, follow this link: <https://www.attomdata.com/news/most-recent/q1-2021-u-s-home-flipping-report/>

- *New England is an Expensive Place to Live . . . but you knew that already!*

A recent CNBC report examined how expensive it was to live in each state this past year. The rankings were based on a variety of factors, including the cost of groceries and housing. What likely doesn't come as a surprise is that 3 out of the 6 New England states hold a spot on the list. Massachusetts ranks as the 5th, Connecticut ranks 8th, and Rhode Island ranks 9th. To read the full article, follow this link: <https://www.cnbc.com/2021/07/15/these-are-americas-most-expensive-states-to-live-in.html>

- *Stewart's Massachusetts COVID-19 Resource Page*

Please view our resource page which contains all the local information relative to underwriting guidance, affidavits, registry closures and frequently asked questions. This site will be updated regularly. To access click [HERE](#) and make it a favorite on your web-browser. You can also copy the following URL and paste it into your web browser:

<https://www.stewart.com/content/stewart/stewartcom/en/stg/massachusetts/underwriting-resources/forms-policy-information/covid-19-info-resources.html>

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