

FHA CREDIT SCORE OVERLAYS

FHA 580 - 599 ALL States		
LTV/CLTV	Purchase 90.00% LTV/CLTV (No 90 day flips) 10% down payment must come from Borrower's own funds.	Refinance 90.00% LTV/CLTV The more restrictive of FHA or REMN Wholesale guidelines must be met for maximum LTV.
Housing History	Purchase 0x30x12 Borrower must have a minimum 12 month MORTGAGE history. If no MORTGAGE history the loan requires Executive Management exception to use rent; if no rent – loan is ineligible.	Refinance 0x30x24 Borrower must have a minimum 24 month mortgage history (seasoning) on subject property.
Documented Housing History	<ul style="list-style-type: none"> Documented housing; in-file credit report trade line (mortgage) rating; checks or evidence of bank withdrawals (rental history) showing 0x30x12 on purchase or 0x30x24 on refinance transactions. VOR (private or professional management company), landlord reference letter, etc. not permitted. <ul style="list-style-type: none"> All housing must be properly documented. 	
Credit History	<ul style="list-style-type: none"> FHA Guidelines Apply 	
DTI	<ul style="list-style-type: none"> FHA: 31.00% / 43.00% <ul style="list-style-type: none"> Both Front / Back ratios must be met individually. 	
Income	<ul style="list-style-type: none"> Loan must meet VA Residual Income guidelines 	
Payment Shock	<ul style="list-style-type: none"> Payment shock between 50.01% and 100.00% requires double VA Residual Income guidelines. 	
Reserves	<ul style="list-style-type: none"> FHA Guidelines Apply 	
Gifts, Grants, DPA, Community Seconds	<ul style="list-style-type: none"> No gifts, grants, down payment assistance or Community Seconds allowed for minimum down payment. 2 months bank statements <u>dated prior to</u> application date with Broker to verify all funds from borrower own funds for minimum down payment. <ul style="list-style-type: none"> Borrower must sign affidavit to reaffirm no gift (for minimum down payment) in transaction. <ul style="list-style-type: none"> Affidavit must be present in loan file before closing. Gifts, Grants, DPA & Community Seconds can be used to pay closing costs or further reduce the LTV after the borrower 10% minimum funds have been met. 	
Approve / Exception Authority	<ul style="list-style-type: none"> Files meeting guidelines Approve/Eligible or Manual – Underwriter Files meeting guidelines but Manual – Underwriter with Team Lead review No loan can be approved unless ALL income, asset and credit documentation is in the loan file. If any of the documentation needed in order to insure compliance with these requirements is missing, the loan must be suspended until the documentation is received. The only exception to this is the final insurance information. <ul style="list-style-type: none"> Loan approvals WILL BE PULLED if the loan no longer qualifies. Loans must otherwise meet current FHA overlays for loans under 660 (unless otherwise addressed with these exceptions). Files not meeting overlay guidelines – Ineligible NO Exception Permitted <ul style="list-style-type: none"> Zero exception policy, including exception that is discovered post loan approval, but prior to closing. Mandatory pre-closing QC review. 	
Loan Amount	<ul style="list-style-type: none"> FHA loan limits apply 	
Notes:	<ul style="list-style-type: none"> Limited to 1 unit properties ONLY Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions. <ul style="list-style-type: none"> Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements. Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; following straight FHA guidelines. 	



FHA CREDIT SCORE OVERLAYS

FHA 600 - 619 ALL States		
LTV/CLTV	Purchase Maximum LTV per FHA (No 90 day flips)	Refinance Maximum LTV per FHA The more restrictive of FHA or REMN Wholesale guidelines must be met for maximum LTV.
Housing History	Purchase 0x30x12 Borrower must have a minimum 12 month MORTGAGE history. If no MORTGAGE history the loan requires Executive Management exception to use rent; if no rent – loan is ineligible.	Refinance 0x30x24 Borrower must have a minimum 24 month mortgage history (seasoning) on subject property.
Documented Housing History	<ul style="list-style-type: none"> Documented housing; in-file credit report trade line (mortgage) rating; checks or evidence of bank withdrawals (rental history) showing 0x30x12 on purchase or 0x30x24 on refinance transactions. VOR (private or professional management company), landlord reference letter, etc. not permitted. <ul style="list-style-type: none"> All housing must be properly documented. 	
Credit History	<ul style="list-style-type: none"> FHA Guidelines Apply 	
DTI	<ul style="list-style-type: none"> FHA: 31.00% / 43.00% <ul style="list-style-type: none"> Both Front / Back ratios must be met individually. 	
Income	<ul style="list-style-type: none"> Loan must meet VA Residual Income guidelines 	
Payment Shock	<ul style="list-style-type: none"> Payment shock between 50.01% and 100.00% requires double VA Residual Income guidelines. 	
Reserves	<ul style="list-style-type: none"> FHA Guidelines Apply 	
Gifts, Grants, DPA, Community Seconds	<ul style="list-style-type: none"> No gifts, grants, down payment assistance or Community Seconds allowed for minimum down payment. 2 months bank statements <u>dated prior to</u> application date with Broker to verify all funds from borrower own funds for minimum down payment. <ul style="list-style-type: none"> Borrower must sign affidavit to reaffirm no gift (for down payment) in transaction. <ul style="list-style-type: none"> Affidavit must be present in loan file before closing. Gifts, Grants, DPA & Community Seconds can be used to pay closing costs or further reduce the LTV after the borrower minimum funds per FHA have been met. 	
Approve / Exception Authority	<ul style="list-style-type: none"> Files meeting guidelines Approve/Eligible or Manual – Underwriter Files meeting guidelines but Manual – Underwriter w/ Team Lead review No loan can be approved unless ALL income, asset and credit documentation is in the loan file. If any of the documentation needed in order to insure compliance with these requirements is missing, the loan must be suspended until the documentation is received. The only exception to this is the final insurance information. <ul style="list-style-type: none"> Loan approvals WILL BE PULLED if the loan no longer qualifies. Loans must otherwise meet current FHA overlays for loans under 660 (unless otherwise addressed with these exceptions). Files not meeting overlay guidelines – Ineligible NO Exception Permitted <ul style="list-style-type: none"> Zero exception policy, including exception that is discovered post loan approval, but prior to closing. Mandatory pre-closing QC review. 	
Loan Amount	<ul style="list-style-type: none"> FHA loan limits apply 	
Notes:	<ul style="list-style-type: none"> Limited to 1 unit properties ONLY Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions. <ul style="list-style-type: none"> Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements. Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; follow straight FHA guidelines. 	

FHA CREDIT SCORE OVERLAYS

FHA 620 - 639 Tier 1 (Low Risk) States		
Alabama**, Alaska, Arizona, California, Colorado, District of Columbia**, Florida, Georgia, Hawaii**, Idaho, Indiana, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania**, Rhode Island, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming ** Watch States		
LTV	Purchase All loans can go to the maximum LTV/CLTV for program type.	Refinance All loans can go to the maximum LTV/CLTV for program type.
Housing History	• FHA Guidelines Apply	
Credit History	• FHA Guidelines Apply	
DTI	• 45.00% ○ Ratio capped based upon occupant borrower only.	
Reserves	• FHA Guidelines Apply	
Gifts, Grants, DPA, Community Seconds	• FHA Guidelines Apply	
Approve / Exception Authority	• Files meeting guidelines Approve/Eligible & Manual – Underwriter • Files meeting guidelines but Manual – Underwriter w/Team Lead review • Files not meeting all other guidelines – Executive Management	
Loan Amount	• FHA loan limits apply	
Notes:	• See State & Property Restriction – REMN Wholesale Overlay in product description for multi-unit restrictions. • Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions. ○ Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements. • Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; follow straight FHA guidelines.	
FHA 640 – 659 Tier 1 (Low Risk) States		
LTV	Purchase All loans can go to the maximum LTV for program type.	Refinance All loans can go to the maximum LTV for program type.
Credit History	• FHA Guidelines Apply	
DTI	• 50.00%	
Reserves	• FHA Guidelines Apply	
Gifts, Grants, DPA, Community Seconds	• FHA Guidelines Apply	
Approve / Exception Authority	• Files meeting guidelines Approve/Eligible & Manual – Underwriter • Files meeting guidelines but Manual – Underwriter w/Team Lead review • Files not meeting all other guidelines – Underwriting Manager or Executive Management	
Loan Amount	• FHA loan limits apply	
Notes:	• See State & Property Restriction – REMN Wholesale Overlay in product description for multi-unit restrictions. • Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions. ○ Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements. • Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; follow straight FHA guidelines.	

FHA CREDIT SCORE OVERLAYS

FHA 620 - 639 Tier 2 (Standard Risk) States		
Arkansas, Connecticut, Delaware, Illinois*, Iowa, Kentucky, Louisiana, Maryland, Mississippi**, New Jersey*, New Mexico, New York*, Oklahoma, South Carolina, Tennessee, Utah** *See State & Property Restriction – REMN Wholesale Overlay in the FHA Product Description Multi-Unit restrictions ** Applications dated on and after 9/1/14		
LTV	With Documented Housing History All loans can go to the maximum LTV for program type.	Without Documented Housing History 90.00%
Housing History	<ul style="list-style-type: none">12 months canceled checks or money orders required to document housing history (if not documented on the credit report).	
DTI	<ul style="list-style-type: none">45.00%<ul style="list-style-type: none">Ratio capped based upon occupant borrower only.	
Reserves	<ul style="list-style-type: none">FHA Guidelines Apply	
Gifts, Grants, DPA, Community Seconds	<ul style="list-style-type: none">Gifts not permitted for minimum down payment. Gifts can be used to further reduce LTV or for closing costs.Grants, DPA & Community Seconds Permitted	
Approve / Exception Authority	<ul style="list-style-type: none">Files meeting guidelines Approve/Eligible & Manual – UnderwriterFiles meeting guidelines but Manual – Underwriter w/Team Lead reviewFiles not meeting all other guidelines – Executive Management	
Loan Amount	<ul style="list-style-type: none">FHA loan limits apply	
Notes:	<ul style="list-style-type: none">See State & Property Restriction – REMN Wholesale Overlay in product description for multi-unit restrictions.Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions.<ul style="list-style-type: none">Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements.Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; follow straight FHA guidelines.	
FHA 640 – 659 Tier 2 (Standard Risk) States		
LTV	With Documented Housing History All loans can go to the maximum LTV for program type.	Without Documented Housing History All loans can go to the maximum LTV for program type.
Credit History	<ul style="list-style-type: none">FHA Guidelines Apply	
DTI	<ul style="list-style-type: none">50.00%	
Reserves	<ul style="list-style-type: none">FHA Guidelines Apply	
Gifts, Grants, DPA, Community Seconds	<ul style="list-style-type: none">FHA Guidelines Apply	
Approve / Exception Authority	<ul style="list-style-type: none">Files meeting guidelines Approve/Eligible & Manual – UnderwriterFiles meeting guidelines but Manual – Underwriter w/Team Lead reviewFiles not meeting all other guidelines – Underwriting Manager or Executive Management	
Loan Amount	<ul style="list-style-type: none">FHA loan limits apply	
Notes:	<ul style="list-style-type: none">See State & Property Restriction – REMN Wholesale Overlay in product description for multi-unit restrictions.Matrix applies to Purchase, Rate/Term, Cash-Out and Credit Qualifying Streamlines transactions.<ul style="list-style-type: none">Credit Qualifying and Non-Credit Qualifying Streamlines must meet FHA Mortgage History & Seasoning requirements.Overlays do not apply to REMN to REMN Rate/Term and REMN to REMN Streamline loan transactions, loan must be current; follow straight FHA guidelines.	