



Overlay/Clarification Matrix

FHA Approve/Eligible

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|--------------------------|---|
| Min FICO | 580 |
| VOR | In addition to VOR (or canceled checks/bank statements) a copy of the lease is required when Approve/Eligible finding is based on verified housing. |
| Credit Score | All borrowers must have at least 1 credit score |
| Undisclosed Debt | Bank statements will be reviewed for undisclosed debt- all undisclosed debt must be addressed and verified via 3rd party |
| DTI | Approve/Eligible FICO < 620 requires DTI of <= 50% |
| Non Occupant Co-borrower | Minimum FICO of 620 |
| Wholesale Loans | First Time Homebuyers with DTI > 50 and FICO < 680 must have payment shock < 120% |



Overlay/Clarification Matrix

FHA Manual Underwrite

| | |
|----------------------|---|
| Wholesale loans | First Time Homebuyers with DTI > 50 and FICO < 680 must have payment shock < 120% |
| FICO | 620 FICO with a max DTI of 50%, if over 45% need LIQUID/NON GIFT PITIA reserves are >3 months for 1-2 family or >6 months for 3-4 family and residual income exceeds VA guidelines. |
| Payment Shock | Max 50% if DTI exceeds 45% |
| Compensating Factors | Must meet FHA Compensating Factors |
| Non Owner Occupant | Not allowed |

Overlay/Clarification Matrix

FHA All

Assets

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|------|--|
| 401k | 401k assets require the terms of withdrawal whether liquidating or not |
| EMD | All EMD \geq 1% of the purchase price must be verified. In addition, if borrower needs the EMD for MRI or if cash is being given to borrower at closing, the EMD must be verified. |

Property

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|-----------------------|---|
| Ineligible Properties | Barndominiums, SUA (Single Unit Approval) Condominiums, co-ops, commercial buildings |
| Manufactured Housing | Min 640 FICO and 50% DTI; Title must be retired. No non-occupant coborrowers. |
| Repair Escrows | On an exception basis only-- max escrow is \$10,000 |
| 2-4 Unit Properties | Rental cannot be used unless borrower has 6 months LIQUID reserves, FICO $>$ 680, and DTI \leq 50%. |

Programs

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|---------------------|--|
| Ineligible Programs | 203k Renovation, Energy Efficient Mortgages, Reverse Mortgages, Disaster 203(h), Mortgages on Indian land, Mortgage on Hawaiian Home Lands, Construction/Perm, Solar/Wind Technology Mortgages, PACE loans |
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Overlay/Clarification Matrix

FHA All (continued)

| Misc. | |
|-------------|---|
| IBR | Income Based Repayment plans are acceptable as long as the repayment amount is above \$0. |
| EPO Penalty | 12 months for all refinances |