FHA PRINCIPAL RESIDENCE STANDARD AND HIGH BALANCE LTV MATRIX								
PROPERTY TYPE[1]		**PURCHASE**		**NO CASH OUT**		**STREAMLINE REFINANCE[1]**		**CASH OUT REFINANCE**	
		LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO
1-4 UNITS	**AUS Approve**	96.50%	600	97.75%	600	97.75%	600[1]	80.00%	640[2]
	Manual UW	96.50%	620	97.75%	620	97.75%	600[1]	80.00%	680[2]

1 – Primary Residence Only   2 – Cash Out transactions limited to 1-unit properties only

FHA 2020 MORTGAGE LIMITS (COUNTY LOOKUP: HTTPS://ENTP.HUD.GOV/IDAPP/HTML/HICOSTLOOK.CFM)				
UNITS	**FHA LOW-COST AREA**	**HIGH-COST AREA FHA FORWARD/FNMA/FHLMC**	**HIGH-COST AK, GM, HI, USVI FHA FORWARD**	**FANNIE/FREDDIE STANDARD**
1	$331,760	$765,600	$1,148,400	$510,400
2	$424,800	$980,325	$1,470,475	$653,550
3	$513,450	$1,184,925	$1,777,375	$789,950
4	$638,100	$1,472,550	$2,208,825	$981,700

VA LTV MATRIX					
TRANSACTION	**PROPERTY TYPE**	**OCCUPANCY**	**MAX LTV/CLTV**	**MAX LOAN AMT**	**MIN FICO**
PURCHASE	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ $1.00 MM	620
			100%	> $1.00 MM ≤ $1.50 MM	720
VA CASH-OUT REFI	1-4 UNITS	PRINCIPAL RESIDENCE	90%	≤ $1.00 MM	640
				> $1.00 MM ≤ $1.50 MM	640
VA IRRRL	1-4 UNITS	PRINCIPAL RESIDENCE	125%	≤ $1.00 MM	600[1]
			125%	> $1.00 MM ≤ $1.25 MM	640[1]
			125%	> $1.25 MM ≤ $1.50 MM	680[1]

1 - Primary Residence Only

TOPIC	OVERLAY	FHA	VA
BASIC GUIDELINES	Overlays in this matrix apply to Federal Housing Administration (FHA) and U.S. Department of Veterans Affairs (VA) conforming guidelines. Refer to the **FHA Single Family Housing Policy Handbook 4000.1** or **VA Lenders Handbook** for additional guidance. Information in this matrix is subject to change without notice.	X	X

Amended Tax Returns	Accepted for the following amendment reasons:
	• Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN)
	• Amended for income-related items, under the following conditions:
	  o Amended at least sixty (60) days before mortgage application taken
	  o Amendment shows on transcripts (stamped returns not acceptable)
	  o Documentation supplied to support the increase, including but not limited to:
	    ▪ 1099 or W2 showing missed/updated income
	    ▪ Canceled Checks or Bank Statements showing missed/updated rental income
		X	X

Appraisal Requirement	• Certified appraiser must complete a full appraisal for all loan amounts over $1MM. regardless of any temporary guidance		X
Assets	• Bank Statements must show account activity for a full two (2) month period. • Internet Statements, obtained from financial institution's website, must contain same information found on a standard bank statement. • VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.	X	X
Credit Report - Tradelines	Borrowers whose only credit history is built from Authorized User Accounts are not eligible.	X	X
Custodial Account	An account in a minor's name where the borrower is named only as custodian of the funds is not eligible for use as closing costs, down payment, or reserves.	X	X
Debt-to-Income Ratio (DTI) - FHA	**Maximum DTI** • AUS Approved: Per AUS • Manual Underwrite: 31/43%	X	
Debt-to-Income Ratio (DTI) - VA	**Maximum DTI** • AUS Approved: 60% • Manual Underwrite: 41%		X

TOPIC	OVERLAY	FHA	VA

Electronic Signatures/eSigning	• eSigning is allowed for most documents.
	• eSigning is <u>not</u> allowed for items below: (or any Loans with POA)
	   o Note
	   o Note Rider(s)
	   o Notice of Right to Cancel
	   o Security Instrument
	   o Security Instrument Rider(s)
	   o COVID-19 Temporary Attestation
		X	X

Escrow Account	Escrow Account required; no escrow waiver allowed.	X	X
Family Owned Business	Two years tax returns are required regardless of AUS recommendation.	X	X
FHA Cash Out Refinance	For case numbers assigned on or after September 1, 2019, maximum LTV is 80%.	X	
FHA Streamline Refinance	In addition to other FHA overlays listed in this matrix, the following apply to FHA Streamline Refinances: • Asset section of loan application must be completed if funds needed to close (Sources of Funds guideline in the Handbook must be followed • Bank statements required (most recent 2 months) • "Mortgage Only" Credit Report required with all credit scores listed • Income amount is <u>not</u> required on the application • Income source must be indicated on the loan application • Power of Attorney (POA) not allowed for properties held in trust • Verification of employment is required within 10 days of closing (Note date) and again at funding.	X	
FHA Credit Qualifying Streamline	• Required when any borrower is being removed from existing transaction • Maximum ratios are 31/43% if manual UW; per AUS if Approved • Full Credit Report required	X	
Ineligible Programs - FHA	• 203(h) • 203(k) • Energy Efficient Mortgages (EEM) • FHA Back to Work • FHA Negative Equity Refinance • Section 184 - Indian Home Loan Guarantee Program • Section 223(e) - Declining Neighborhoods *(Continued)*	X	

TOPIC	OVERLAY	FHA	VA
Ineligible Programs - FHA (Continued)	• Section 247 - Hawaiian Homelands • Section 248 - Indian Reservations • Temporary Buydown • Texas 50(a)6 transactions	X	
Ineligible Programs - VA	• Energy Efficient Mortgages (EEM) • Native American Direct Loan • Properties with PACE Liens (unless paying off through transaction) • Properties with resale restrictions (Age restrictions are acceptable) • Temporary Buydown • Texas 50(a)6 transactions		X
Ineligible Properties	• Co-Ops • Indian Leased Land • Manufactured Homes • Property Flip of Non-Arm's Length Transaction • Solar Panels that affect first lien position	X	X
Joint Loans	Ineligible		X
Minimum Loan Amount	$75,000	X	X
Mortgage Credit Certificate (MCC)	Not permitted	X	X
Multiple Loans to One Borrower	• LSM allows up to eight (8) properties for one borrower, including the subject property, or a total of $2M in financing, whichever is less. • Maximum of 20% ownership concentration in any one project or subdivision.	X	X
Non-Occupant Co-Borrower	Ineligible; all borrowers must occupy the subject property.		X
Non-Permanent Resident Aliens	These borrowers accepted under the following conditions: • Acceptable Visa evidence (such as E-1, H-1B, H-2B, H-3, L-1G Series, O-1) provided • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen • DACA: With Category C33 work status under deferred action, DACA borrowers ineligible • Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible	X	X

TOPIC	OVERLAY	FHA	VA
Payment History	0x30 lates in the last 12 months for all of the following transactions: • FICO < 640 • All manual underwrites Follow FHA or VA guidelines for FICO ≥ 640.	X	X
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction. (See also: Power of Attorney note under **FHA Streamline Refinance**)	X	X
Recently Listed Properties	Property must be off the market at least one day prior to mortgage application date.	X	X
Renegotiated Purchase Contract	• Not allowed; however, minor adjustments due to condition or other relevant factors are permitted. • Increase of sales price after appraisal completed is not permitted.	X	X
Reserve Requirements	**FHA:** • 3 months PITIA is required for all 3-4 unit properties • 1 month for all manual underwrites, excluding streamlines **VA:** • 6 months PITIA is required if subject is 2-4 units and rental income is being used for qualifying purposes • 3 months PITIA is required if rental income is being used from other properties	X	X
Social Security Number (SSN)	All borrower must have a valid SSN.	X	X
Tax Transcripts	Required when tax returns are used to qualify borrower income	X	X
Unpaid Federal Tax Debt	• LSM considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed; one month payment is required • Borrower with delinquent Federal Tax Debt is ineligible NOTE: Record of Account can be used in lieu of canceled check or proof of electronic payment.	X	X

VA IRRRL	In addition to other VA overlays listed in this matrix, the following apply to VA IRRRLs:
	
	• AVM Requirements:
	   o Option 1: CoreLogic Geo AVM with standard deviation of 14 or less *or* LPS Cascading AVM with confidence score of 75 or greater is required
	   o Option 2: Protek AVM with a confidence score of 80 or greater *(Continued)*
			X

TOPIC	OVERLAY	FHA	VA
VA IRRRL (Continued)	o If these requirements are not met, a 2055 appraisal is required • Credit Report (mortgage acceptable only) required with all credit scores listed • Credit Qualifying o Full Credit Report with minimum of one credit score required o DTI 41% Maximum; or o DTI > 41% to 50% Max if residual income is greater than 120% of VA residual income requirements • High Balance Loan Amount: Max LTV 100% of AVM value (calculated from Total Loan Amount, including Funding Fee) • Income documentation: standard documentation required when P&I payment increases 20% or more • Standard Conforming Loan Amount: Max LTV 115% of AVM value (calculated from Total Loan Amount, including Funding Fee) • Subordinate Financing exists: Max CLTV 125%		X