



The power of yes.

FHA OVERLAYS



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Minimum Credit Score	620 for all borrowers
Maximum DTI	55%
Maximum DTI/Credit in NJ and NY for 3-4-unit property	55% with a 640 minimum credit score
Income	All self-employed income must be validated with a YTD Profit and Loss (P&L) and balance sheet if more than a calendar quarter has elapsed since the date of the most recent calendar or fiscal year-end tax return was filed by the Borrower
Profit and Loss Statement	<p>For applications on/after 6/11/2020:</p> <ul style="list-style-type: none"> • an audited year-to-date profit and loss statement reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date; or • an unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and two business depository account(s) statements no older than the latest two months represented on the year-to-date profit and loss statement. <ul style="list-style-type: none"> ○ For example, the business depository account statements can be no older than Apr. and May for a year-to-date profit and loss statement dated through May 31, 2020. ○ The lender must review the two most recent depository account statements to support and/or not conflict with the information presented in the current year-to-date profit and loss statement. Otherwise, the lender must obtain additional statements or other documentation to support the information from the current year-to-date profit and loss statement.

Verification of Employment	<ul style="list-style-type: none"> • The Borrower must provide a written statement that the business is open and operational and that the COVID-19 effects will not have a material impact on the financial statement provided at time of approval. • In addition, a bank statement that shows deposits, sourced to the business, must be obtained within 10 business days of the note date. These deposits must be consistent with the income used to qualify. • All VVOEs must be completed with 10 calendar days of the note date.
Geographic restrictions	New York: CEMA not transactions are not allowed
Ineligible features	<ul style="list-style-type: none"> • Loans with deed restrictions are not allowed. • Texas Home Equity Loans • Prepayment penalties • Balloon Terms
Ineligible Products	<ul style="list-style-type: none"> • Economic Life/ Section 223 (e) loans • Energy efficient mortgages • Loans to Non-Profit organizations • Reverse Mortgages • 203K loans • 203(h) loans • HUD \$100 down • FHA Back to Work • Texas Home Equity Loans • Good Neighbor Next Door
Ineligible Property	<ul style="list-style-type: none"> • Manufactured home in a mobile home park • Singlewides • Co-op properties • Leaseholds • Condotels • Properties in Redemption
Escrows	All loans must have escrow for taxes/insurance

FHA STREAMLINE

Credit Score	640 credit score requirement
Mortgage history	0x30 for the last 12 months
Income	Verbal Verification of Employment (VVOE)
Appraisal	Not required
Texas Home Equity 50(a)(6)	Not eligible
HPML Transactions	Not permitted
Rebuttable Presumption	Eligible
Bankruptcy	Must not currently be in bankruptcy
Ineligible Collateral	Co-ops, condotels, Indian Reservations, manufactured
Properties listed for sale	Not eligible