



Penny Mac(6), Wells Fargo(7), PUF(12), Plaza(13), Impac(15), Chase(16), CMG(17), Mr. Cooper(19), Caliber(20), Freedom(21), Citi(25), Home Point(26), Ditech(32), Flagstar(33), TMS(39), FGMC(40), AmeriHome(41), TX Capital(44), 360 Mtg(47), NorthPointe(48)

Guideline/Underwriting Topic	Overlay Details	Investor(s)
Appraisal		
Appraisal Recertification	An appraisal recertification is required if the appraisal is more than 60 days old at funding.	12
Appraisal Funds	If appraiser is on the ineligible list, then the funds used to pay for the appraisal must be verified.	25
Assets		
Bank Statements	When funds are required to close, at least one month's bank statements is required, regardless of AUS findings.	All
VOD	Not allowed as a stand-alone document; must be accompanied by at least one month's bank statements.	All
Large Deposits	Large deposits exceeding 1% of property value or > 50% of gross monthly income must be sourced.	AFN
Gift Funds	Reserves cannot be derived from a gift on a 3-4 unit transaction	16
Business Assets	Borrower must be 100% owner of the business.	17
Cryptocurrencies	Not an eligible asset and must be deducted from borrower's bank balance	20
Pooled Funds	Not Allowed	17
Mattress Money/Cash on Hand	Not Allowed	17, 44
Sweat Equity	Not Allowed	17, 33, 44
Trade Equity	Not Allowed	17
1031 Exchange	Proceeds from 1031 Tax Deferred Exchanges are not an eligible source of funds.	41
Borrower		
Resident Status	Borrowers with diplomatic immunity and Foreign Nationals are not allowed.	All
ITINs	Not Allowed	All
DACA Status	Borrowers with Deferred Action for Childhood Arrivals (DACA) status are not allowed.	All
Trusts	Not Allowed	AFN
Multiple Borrowers	The maximum number of borrowers per loan is 4.	AFN
Life Estates	Not Allowed	AFN
Corporations/Partnerships	Not Allowed (including LLCs)	AFN
Guardianships	Not Allowed	AFN
AFN Employee Loans	Not Allowed	17
Credit		

Credit Score	At least one borrower must have a valid credit score. Credit scores below 580 require management approval.	AFN
Credit Score	580 minimum FICO score.	15, 32, 41
Credit Score	600 minimum FICO score.	6, 20
Credit Score	620 minimum FICO score.	17, 26, 44, 48
Credit Score	640 minimum FICO score.	7, 16
Credit Score	660 minimum FICO score for High Balance loans.	44
Credit Score	All borrowers must have at least one valid credit score. Manual underwriting for borrowers without a credit score is not allowed.	13, 16, 17, 20, 32, 41
Credit Score	Standard Program: minimum FICO score. 620 Specialty Program: 500 minimum FICO score. 580 required for LTVs > 90% (Primary, Prurchase and Rate & Term).	12
Credit Score	580 minimum FICO score. required for: Properties Out refinances loans (HB cash our requires a 640)	620 3-4 Unit Cash High Balance 13
Credit Score	640 minimum FICO score for: HUD \$100 Down program. Manual underwriting. scores < 640 must meet the following: receive an AUS Accept. allowed on loans with FICOs of at least 620. allowed on loans with FICOs of 600-619 with at least one of the following: 6 months reserves, 90% max LTV/CLTV, or residual income factor of at least 125% of standard.	- - FICO -Must -Gifts are -Gifts are 20
Credit Score	Standard FHA Loan Programs minimum FICO for standard balance loans. minimum FICO for high balance loans. minimum FICO for manually underwritten loans. First" Loan Program FICO for standard balance loans. high balance loans.	-580 -640 -640 "Freedom -500 minimum -580 minimum FICO for 21
Credit Score	640 minimum FICO for loans with base loan amounts ≤ \$453,100. minimum FICO for loans with base loan amounts > \$453,100.	660 25

Credit Score	640 minimum FICO score when subordinate financing exists, and for 3-4 unit properties.	26
Credit Score	600 minimum FICO for 1-2 Unit Purchase and Rate & Term refinance; and for 1 Unit Cash Out. 620 minimum FICO for 3-4 Unit Purchase and Rate & Term refinance; and for 2 Unit Cash Out. minimum FICO for 3-4 Unit Cash Out. All borrowers must have a FICO score for 3-4 Unit Cash Out.	640 33
Credit Score	550 minimum FICO score.	39
Credit Score	530 minimum FICO score. required for LTVs > 90% (Purchase and Rate & Term). No Score Borrower(s): Full tri-merged credit report required reflecting no score. Purchase transactions only and manual underwriting required.	580 40
Credit Score	640 minimum FICO for Cash Out refinances. 640 minimum FICO for High Balance transactions. 660 minimum FICO for High Balance Cash Out refinances.	48
Credit Score	620 credit score required for ARMs and refinances	20
Non-Traditional Credit	Not Allowed	7, 16, 20, 32, 41
Non-Traditional Credit	Only allowed when using the "Freedom First" program.	21
Non-Traditional Credit	No derogatory credit or collection items in the last 36 months. 31%/43% maximum DTI. from borrower, regarding credit history and all inquiries, is required.	LOE 26
Non-Occupying Co-Borrowers	Non-occupying co-borrowers must always have a qualifying credit score.	15
Power of Attorney (POA)	Specific POA required; cash out not permitted. Refer to AFN POA checklist.	AFN
Collection Accounts	If the applicant has entered into a payment arrangement with the creditor, a credit report or letter from the creditor verifying the monthly payment is required. The monthly payment must be included in the applicant's DTI. Applicant must have a minimum of three months payment history prior to credit approval. No prepayment permitted. Note: Medical collections are excluded from this requirement.	16
Derogatory Credit	All reported delinquent Chase accounts must be brought current prior to or at the time of closing.	16
Inquiries	All credit inquiries within 120 days of the credit report are required to be addressed by the borrower.	AFN
Bankruptcy	Chapter 13 bankruptcy plan must be paid out and discharged prior to closing; loan proceeds cannot be used to pay off a BK balance.	17
Bankruptcy	All bankruptcy must be discharged.	19
Mortgage History	All High Balance Loans: Maximum 0x30x12 mortgage history.	17
Income		
Tax Transcripts	Tax transcripts are not allowed in lieu of actual tax returns due to omission of required schedules for income calculation.	AFN

Tax Transcripts	Personal tax return transcripts are required. If business income is part of the personal transcripts, that is acceptable. If business income is used to qualify, and that income is not included on the personal transcripts, additional business transcripts are required.	26
Documentation	A minimum of 28 days worth of paystubs are required.	AFN
Stamped Tax Returns	Not allowed per AFN Bulletin 15-071	7, 13, 21, 25
Annuity/Retirement	Any distribution that is being used to qualify must be established prior to the application date.	17
Mortgage Interest Differential (MID)	Mortgage Interest Differential payment income is not permitted.	AFN
Liabilities		
Debt to Income Ratio (DTI)	50% max DTI for 1st Time Homebuyers on 3-4 unit properties (TOTAL Scorecard Approve/Accept Eligible required).	12
Debt to Income Ratio (DTI)	50% max DTI for TOTAL Scorecard transactions. max DTI for Cash Out refinances with LTVs > 80%. DTI for manually underwritten transactions. for Chase serviced (TOTAL Scorecard approved) No Cash Out refinances.	45% 31%/43% max No max DTI 16
Debt to Income Ratio (DTI)	31%/43% maximum DTI for loans with non-traditional credit.	26
Debt to Income Ratio (DTI)	55% max DTI for standard balance transactions. 50% max DTI for High Balance transactions.	44
Debt to Income Ratio (DTI)	DTIs >50% require a 640 credit score	13
Debt to Income Ratio (DTI)	50% max DTI for FICO scores < 640.	48
Loan Program		
Co-Signers	Not Allowed	AFN
Energy Efficient Mortgage (EEM)	Not Allowed	All
Seller Funded DPA Programs	Not Allowed	All
Loan Amount	\$60,000 minimum loan amount.	AFN
ARMs	Not Allowed	39
ARMs	3/1 and 7/1 ARMs not allowed.	40
Down Payment Assistance Programs	All DPA programs must be approved by the investor.	15
Down Payment Assistance Programs	Not Allowed	21
Down Payment Assistance Programs	Local or state housing finance authority (Bond) programs not allowed.	26
Mortgage Credit Certificates (MCCs)	Not Allowed	15, 16, 20, 33
Loan Term	15 Year Fixed High Balance loans are not allowed.	12
Loan Term	10 Year Fixed loans are not allowed.	12

Section 230(h) Mortgage Insurance Disaster Victim	Not Allowed	AFN
High Balance Loans	Manual underwriting not allowed.	17, 44
LTV/CLTV/HCLTV		
CLTV	Maximum 105% CLTV.	25, 26, 44
CLTV	Maximum 100% CLTV.	48
Property		
Direct Endorsement Lender Review and Approval Process (DELRAP)	Lender approved condo projects not allowed. Must be HRAP.	AFN
Unpermitted Additions	<p>Properties with unpermitted additions are allowed under the following circumstances:</p> <ul style="list-style-type: none"> -The subject addition complies with all investor guidelines. -The quality of the work is described in the appraisal and deemed acceptable "workmanlike quality." -The addition does not result in a change in the number of units comprising the subject property (i.e. one unit converted to a two unit). <p>-If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal: Non-permitted additions are typical for the market area and a typical buyer would consider the "unpermitted" additional square footage to be part of the overall square footage of the property. The appraiser has no reason to believe the addition would not pass inspection for a permit.</p>	All
Property Condition	Properties constructed in Q6 quality are not allowed.	All
Property Condition	Properties in C5 condition are not allowed when appraisal is made "as is."	All
Land Trusts	Not Allowed	AFN
Manufactured Homes	<p>Single-wides not allowed.</p> <p>Not allowed, if located in a flood zone.</p> <p>ARMs not allowed.</p>	AFN
Manufactured Homes	Not Allowed	6, 7, 16, 20, 21, 25, 26, 33, 41, 44
Manufactured Homes	<p>Manufactured homes in a mobile home park are not allowed.</p> <p>Allowed only in the following states, as purchase transactions: All states, except Alaska and Hawaii.</p> <p>Must be classified as real property prior to closing.</p>	12

Manufactured Homes	<p>Manufactured homes are eligible, but subject to overlays. Refer to program guides for complete details.</p> <ul style="list-style-type: none"> -660 minimum FICO score -Cash out refinances are not eligible -Minimum width of double-wide -High Balance/Jumbo loan amounts are not eligible -Co-op projects comprised of manufactured homes are not eligible -The manufactured home may not have been previously installed or occupied at another location -Escrow holdbacks are not allowed -Leasehold properties are not eligible -Not eligible in the states of Hawaii and Rhode Island 	13
Manufactured Homes	<p>The following are ineligible:</p> <ul style="list-style-type: none"> -Non-traditional credit -ARMs -High Balance loans -Re-siting of manufactured home -Manufactured homes in condo projects -Manufactured homes on a leasehold -MFH properties within SFHA (Special Flood Hazard Area) or any property that requires flood insurance. 	15
Manufactured Homes	<p>Properties with a manufactured unit on-site, used as storage, not allowed.</p> <p>Age of property must be 20 years or less.</p>	17
Manufactured Homes	<p>Manufactured home must be classified and titled as real property at time of application.</p> <p>Manufactured home must be permanently affixed to the foundation on site for more than 12 months unless the borrower is the second purchaser of a previously occupied property (a resale).</p>	32
Manufactured Homes	<p>Manufactured homes in condo projects are not allowed.</p>	47
Co-Ops	<p>Not Allowed</p>	AFN
Indian Land, Section 248	<p>Not Allowed</p>	AFN
Indian Reservations, Section 184	<p>Not Allowed</p>	AFN
Hawaiian Homelands Section 247 and HUD 184A	<p>Not Allowed</p>	All
Deed Restricted Properties	<p>Not Allowed</p>	7
Deed Restricted Properties	<p>Not allowed, unless the restriction is for "Age Restrictions Only."</p>	12, 25, 32
Deed Restricted Properties	<p>Resale deed restricted properties are not eligible, unless the restriction is only for age, property is one unit owner-occupied and otherwise meets Agency guidelines.</p>	41
Leasehold Properties	<p>Not Allowed</p>	15, 21, 26, 41
Acreage	<p>Properties greater than 25 acres are not eligible.</p>	15
Acreage	<p>Properties greater than 20 acres are not eligible.</p>	44

Unique Properties	Uniquely designed properties (dome homes, log cabins, earth berms, underground homes, etc...) are not eligible.	15, 41
Water Sources	Properties with water sources supplied by dug wells, cisterns or holding tanks used in conjunction with water purchased and hauled to the site are not eligible.	16
Mixed Use Properties	Not Allowed	17, 39
Private Transfer Fees	Properties encumbered with private transfer fee covenants are not allowed.	17
Section 8	Section 8 rent controlled properties are not allowed.	12, 13, 17, 20, 26, 32, 33, 41
Section 223(e) Declining Neighborhoods	Declining neighborhoods, where mortgage term exceeds remaining economic life of property, not allowed.	AFN
3-4 Unit Properties	First time homebuyers not allowed. maximum DTI. reserves required. permitted, but may not be used to satisfy the six month reserve requirement. must qualify using proposed rent from only one unit. length transactions not allowed. or "flipped," within the past 12 months not allowed.	50% Six months Gift funds Borrower Non-arms Properties sold, 26
HUD REO	Owner occupied transactions only.	33
HUD REO	\$100 Down or Good Neighbor Next Door are not eligible; Owner Occupied only; Full "as is" appraisal required; Transaction must be "insurable"; Repair escrows not allowed.	41
Condos	Ineligible project types include: Condo projects with any units less than 400 square feet; Manufactured home condo projects (MHCP); Multi-dwelling unit condos, Continuing care condo communities; Condominiums, Hotel Condos, conversions from hotels or motels unless they meet FHA requirements; Condo projects that both include registration services and offer the rental of units for a term of 30 days or less; Projects that: share facilities with a hotel or motel; have services typically provided in a hotel or motel such as maid service, management desk, bellman, etc; restrict owner's ability to occupy the unit; New condo projects with undisclosed or excessive seller concessions.	41
Occupancy	2nd Homes and Investment Properties are not allowed.	20, 25, 26, 44, 48
Water Filtration Systems	Properties that require private water purification systems not allowed.	7, 16, 25, 32
Flood Insurance	All detached structures, including detached garages, require flood insurance when located in a SFHA.	16
State Restrictions		
Massachusetts	Not Allowed	47
Texas	Section 50(a)(6) loans are not allowed.	All
Texas	For Owner Occupied, Rate & Term refinances; total financed closing costs are limited to 10% of the loan amount.	7
New Hampshire	Not Allowed	47
New Jersey	2-4 unit properties not allowed.	7, 41, 44

New Jersey	Satisfactory 12 months housing expense must be verified by credit report or cancelled checks. Borrowers living rent free during the most recent 12 months are not eligible. 2-4 unit properties: 50% max DTI. months PITI required for 2 units. months PITI required for 3-4 units.	- -3 -6	12
New Jersey	3-4 Unit properties not allowed.		17
New York	CEMA purchase transactions are not allowed.		AFN
New York	CEMA loans not allowed		26, 33
New York	3-4 Unit properties not allowed.		17
New York	Not Allowed		41, 47
Transaction			
High Cost Loans	Not Allowed		All
Short Refinance	Not Allowed		All
Construction to Perm	One-time or two-time close transactions are not eligible.		All
Temporary Buydowns	Not Allowed		AFN
Escrow Holdback	All escrow holdbacks must be approved by AFN Senior Management due to the inability to sell the loan until the work is completed (except for HUD REO properties).		AFN
Escrow Holdback	Not Allowed		41
Refinances	6 consecutive monthly payments are required prior to the case number assignment date.		12
Subordinate Financing	HERO loans are not eligible as subordinate financing.		All
Subordinate Financing	Property Assessed Clean Energy (PACE) loans are not eligible as subordinate financing.		7, 12, 13, 15, 21, 26, 33, 40, 41, 44
Subordinate Financing	New subordinate financing is not permitted in conjunction with refinance transactions.		17
Minimum Loan Amount	\$50,000		12, 41, 44
Maximum Loan Amount	\$1,000,000		17
Good Neighbor Next Door Program	Not allowed		20
Identity of Interest/Non-Arms Length Transactions	Loans with the following characteristics are not eligible for any loan program: -The borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller. -Realtor/loan broker acting as the listing agent, as well as the mortgage originator/broker. -Borrower is a principal of the title company and/or settlement agent for subject transaction.		13
Identity of Interest/Non-Arms Length Transactions	1 Unit, primary residences only.		19

Maximum Loans to One Borrower	A maximum of 4 loans with this investor is permitted to one borrower.	13, 21, 41, 44
Maximum Loans to One Borrower	Four properties to one borrower with a maximum exposure limit to one borrower at \$1,000,000. Maximum of 2 financed units in a single condo project or PUD.	17
Maximum Loans to One Borrower	Five properties to one borrower with a maximum exposure limit to one borrower at \$4,000,000.	33
Power of Attorney	Not allowed on Cash Out transactions	AFN
Power of Attorney	Not allowed for non-occupant borrowers or investment property transactions.	41
Section 235 Mortgages	Refinances of existing section 235 mortgages are not eligible.	15
Properties Listed for Sale	If the property was listed for sale within the prior 12 months but is not currently for sale, then can be considered for Cash out Refinance if the listing has been expired or withdrawn 180 days prior to the application date.	16
Properties Listed for Sale	Property must be off the market at least six months prior to the application for cash out refinances, and one day for rate and term refinances.	17
Properties Listed for Sale	Property must be off the market at least one day prior to application.	33
1031 Exchange	Not Allowed	17
Sales Incentive/Realtor Commissions	Maximum 8% of sales price.	17
Renegotiated Purchase Contracts	Generally renegotiated sales contracts are not allowed, however, minor adjustments due to condition or other relevant factors are permitted. Increasing of sales price after the appraisal is completed to provide seller credit is not permitted.	7, 17
HPML	50% maximum DTI for HPMLs.	19
HPML	43% maximum DTI for HPMLs.	25
HPML	620 credit score required and 120% residual income must be met	20
Installment Land Contracts	Not Allowed.	20
Principal Curtailment	Not allowed, unless it's the result of premium rate credit.	25
Title/Ownership	"Tenants in Common with a Tenancy in Common Agreement" - This type of ownership/titling is not permitted.	25
Cash in Hand	\$200,000 maximum cash in hand.	19
Cash in Hand	\$300,000 maximum cash in hand.	33
Modified Loans	Cash Out requires 2 years since modification.	33
Purchases of Short Sales	Purchase transaction must be an arms-length transaction.	33
Assigned Purchase Contracts	Transactions with purchase contracts that have been assigned are not eligible.	39, 41
Property Flipping	Properties being resold 90 days, or fewer, from the seller's date of acquisition/purchase are not eligible.	19
Underwriting		
TOTAL Scorecard	All loans must be submitted to TOTAL Scorecard.	All
TOTAL Scorecard	"Refer/Ineligible" findings are not allowed.	25
Loan Prospector (LP)	LP is not an eligible AUS source for FHA transactions.	AFN

Manual Underwriting	560 minimum FICO score.	19
Manual Underwriting	<p>Must receive Refer/Eligible from DU or LP, or have an Approve/Eligible or Accept/Eligible with a manual downgrade.</p> <p>45% maximum debt-to-income (DTI) for conforming loans, -43% maximum debt-to-income (DTI) for high balance loans, -640 minimum representative credit score, -Three (3) open trade-lines used within the past 12 months, -Minimum 12 month housing history (mortgage or rent) without any late payments in the most recent 12 months is required for all mortgage and rent payments (6 months seasoning requirements still apply for Cash Out refinance transactions).</p> <p>"Freedom First" manual underwrites are per HUD guidelines. Homebuyer Education conducted by a HUD Approved Counseling Agency is required for: All Freedom First purchase transactions for First Time Homebuyers (FTHB) when...</p> <p>-Representative credit score is less than 580, and -Borrower is utilizing a Down Payment Assistance Program (DAP) or gift funds. -When counseling is required, provide the signed certificate for each borrower.</p>	21
Manual Underwriting	<p>First time homebuyers not allowed.</p> <p>Housing history must be verified with cancelled checks (VOR or cash receipts not permitted), otherwise limited to 25% payment shock. allowed. Borrowers not allowed. debt to qualify. reserves required for FICO scores ≥ 660; Six mons reserves required for FICO scores 620-659. Maximum 31%/43% DTI.</p>	<p>Gift funds not Non-Occupant Co- May not pay off Three months</p> <p>26</p>
Manual Underwriting	<p>3 months PITI reserves required for 1-2 unit properties. 6 months PITI reserves required for 3-4 unit properties.</p>	44
Manual Underwriting	640 minimum FICO score.	48