

Nations Lending Overlay Matrices

20
19



Purchase - 203B and 234C

Credit Score	580 Minimum FICO - 600 minimum for Manual Underwriting
AUS Requirement	Approve/Eligible and Manual Underwriting Allowed; Credit score >=600 required for Manual
Bankruptcy	Follow standard FHA requirements. A minimum of 2 years must have elapsed before case number can be assigned.
Foreclosure	Follow standard FHA requirements. A minimum of 3 years must have elapsed, prior to case number assignment, since the date of foreclosure, short sale, or deed in lieu of foreclosure.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted only, 30 year term only
Minimum Loan Size	Follow FHA Guides
Maximum Loan Size	Follow FHA Guides
Max LTV	96.50%
Max CLTV	Follow FHA Guides
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, Condominium (Must be FHA Approved), Single-wide or Larger Manufactured (see FHA Manufactured Home Requirements)
Qualifying Ratios	Manually underwritten loans must meet the requirements in ML 2014-02 , Loans with Approve/Eligible: Follow findings
Rent/Mortgage History	Follow AUS recommendations with Approve/Eligible Findings; Manual Approval: Follow FHA Satisfactory Credit Requirements: The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months. The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on revolving accounts in the previous 12 months. Major derogatory credit on revolving accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date. A minimum of TWO compensating factors are required.
Repair Escrow	Allowed: Items that are health or safety issues cannot be escrowed for - weather related only, must meet FHA guides
Non-Traditional Credit	Allowed; must meet FHA requirements for Non-Traditional Credit. If borrower has no score and non-occupying borrower is used, income from non-occupant cannot be used.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required. If a disaster cert is required, it cannot be performed until AFTER THE DISASTER END DATE.

Compensating Factors	<p>The number of factors required is dependent upon the borrower's credit score and qualifying ratios. Exhibit A for details. All manually approved full doc loans require at minimum ONE month reserves, in addition to the comp factors listed below:</p> <ul style="list-style-type: none"> -Verified and documented cash Reserves: Must equal or exceed THREE monthly mortgage payments for 1-2 unit properties and must equal or exceed SIX monthly mortgage payments for 3-4 units; -Minimal Increase in Housing Payment: The new total monthly mortgage payment does not exceed the current total monthly housing payment by more than \$100 or 5%, whichever is less AND there is a documented 12 month housing payment history with no more than one 30 day late payment. If the borrower has no current housing payment, mortgagees may cite this as a compensating factor. -No discretionary debt, subject to the following requirements: the borrower's housing payment is the ONLY open account with an outstanding balance that is not paid off monthly, the credit report shows established credit lines in the borrower's name open for at least SIX months, AND the borrower can document that these accounts have been paid off in full MONTHLY for at least the past SIX months. Authorized user accounts cannot be used for this comp factor. -Significant Additional Income: Additional income that is not used for qualifying can be used as a comp factor, provided the income has been received for at least ONE year and it is confirmed as likely to continue AND the income, if included in the qualifying ratios, is sufficient to reduce the ratios to not more than 37/47%. Income from non-borrowing spouses or other parties not obligated cannot be counted. This compensating factor may only be cited in conjunction with another compensating factor when the ratios exceed 37/47 but are not more than 40/50%. -Residual Income: Residual income must be at least equal to the applicable amounts for household size and geographic region found on the table of Residual Incomes By Region found in the VA handbook. Residual income used as compensating factor must be completed in the same manner as calculated for VA loans.
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Rate and Term - 203B and 234C

Credit Score	580 Minimum FICO, 600 FICO for manual underwriting
AUS Requirement	Approve/Eligible and Manual Underwriting Allowed; Credit score > =600 required for Manual
Bankruptcy	Follow standard FHA requirements.
Foreclosure	Follow standard FHA requirements. A minimum of 3 years must have elapsed since the date of foreclosure, short sale, or deed in lieu of foreclosure.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Follow FHA Guides
Max LTV	97.75%
Max CLTV	Follow FHA Guides
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, FHA Approved Condominium, Single-wide or Larger Manufactured (see FHA Manufactured Home Requirements)
Qualifying Ratios	Manually underwritten loans must meet the requirements in ML 2014-02 , Loans with Approve/Eligible: Follow findings
Rent/Mortgage History	Follow AUS recommendations with Approve/Eligible Findings; Manual Approval: Follow FHA Satisfactory Credit Requirements: The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months. The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on revolving accounts in the previous 12 months. Major derogatory credit on revolving accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date. A minimum of TWO compensating factors are required.
Repair Escrow	Allowed: Items that are health or safety issues cannot be escrowed for - weather related only, must meet FHA guides
Seasoning	All FHA refinances require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Non-Traditional Credit	Allowed; must meet FHA requirements for Non-Traditional Credit. If borrower has no score and non-occupying borrower is used, income from non-occupant cannot be used.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required. If a disaster cert is required, it cannot be performed until AFTER THE DISASTER END DATE.

Compensating Factors

The number of factors required is dependent upon the borrower's credit score and qualifying ratios. Exhibit A for details. All manually approved full doc loans require at minimum ONE month reserves, in addition to the comp factors listed below:

- Verified and documented cash Reserves:** Must equal or exceed THREE monthly mortgage payments for 1-2 unit properties and must equal or exceed SIX monthly mortgage payments for 3-4 units;
- Minimal Increase in Housing Payment:** The new total monthly mortgage payment does not exceed the current total monthly housing payment by more than \$100 or 5%, whichever is less AND there is a documented 12 month housing payment history with no more than one 30 day late payment. If the borrower has no current housing payment, mortgagees may cite this as a compensating factor.
- No discretionary debt, subject to the following requirements:** the borrower's housing payment is the ONLY open account with an outstanding balance that is not paid off monthly, the credit report shows established credit lines in the borrower's name open for at least SIX months, AND the borrower can document that these accounts have been paid off in full MONTHLY for at least the past SIX months. Authorized user accounts cannot be used for this comp factor.
- Significant Additional Income:** Additional income that is not used for qualifying can be used as a comp factor, provided the income has been received for at least ONE year and it is confirmed as likely to continue AND the income, if included in the qualifying ratios, is sufficient to reduce the ratios to not more than 37/47%. Income from non-borrowing spouses or other parties not obligated cannot be counted. This compensating factor may only be cited in conjunction with another compensating factor when the ratios exceed 37/47 but are not more than 40/50%.
- Residual Income:** Residual income must be at least equal to the applicable amounts for household size and geographic region found on the table of Residual Incomes By Region found in the VA handbook. Residual income used as compensating factor must be completed in the same manner as calculated for VA loans.

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Cash Out - 203b and 234c

Credit Score	580 Minimum FICO; 600 FICO for manual underwriting
AUS Requirement	Approve/Eligible and Manual Underwriting Allowed; Credit score >=600 required for Manual
Bankruptcy	Follow standard FHA requirements.
Foreclosure	Follow standard FHA requirements. A minimum of 3 years must have elapsed since the date of foreclosure, short sale, or deed in lieu of foreclosure.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Follow FHA Guides
Max LTV	85%
Max CLTV	85%
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, FHA Approved Condominium, Single-wide or Larger Manufactured (see FHA Manufactured Home Requirements)
Qualifying Ratios	Manually underwritten loans must meet the requirements in ML 2014-02 , Loans with Approve/Eligible: Follow findings
Rent/Mortgage History	Follow AUS recommendations with Approve/Eligible Findings; Manual Approval: Follow FHA Satisfactory Credit Requirements: The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months. The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on revolving accounts in the previous 12 months. Major derogatory credit on revolving accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date. A minimum of TWO compensating factors are required.
Repair Escrow	Allowed: Items that are health or safety issues cannot be escrowed for - weather related only, must meet FHA guides
Non-Traditional Credit	Allowed; must meet FHA requirements for Non-Traditional Credit. If borrower has no score and non-occupying borrower is used, income from non-occupant cannot be used.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required. If a disaster cert is required, it cannot be performed until AFTER THE DISASTER END DATE.
Seasoning	All FHA refinances require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Compensating Factors	The number of factors required is dependent upon the borrower's credit score and qualifying ratios. Exhibit A for details. All manually approved full doc loans require at minimum ONE month reserves, in addition to the comp factors listed below: -Verified and documented cash Reserves: Must equal or exceed THREE monthly mortgage payments for 1-2 unit properties and must equal or exceed SIX monthly mortgage payments for 3-4 units; -Minimal Increase in Housing Payment: The new total monthly mortgage payment does not exceed the current total monthly housing payment by more than \$100 or 5%, whichever is less AND there is a documented 12 month housing payment history with NO late payments. If the borrower has no current housing payment, mortgagees may cite this as a compensating factor. -No discretionary debt, subject to the following requirements: the borrower's housing payment is the ONLY open account with an outstanding balance that is not paid off monthly, the credit report shows established credit lines in the borrower's name open for at least SIX months, AND the borrower can document that these accounts have been paid off in full MONTHLY for at least the past SIX months. Authorized user accounts cannot be used for this comp factor. -Significant Additional Income: Additional income that is not used for qualifying can be used as a comp factor, provided the income has been received for at least ONE year and it is confirmed as likely to continue AND the income, if included in the qualifying ratios, is sufficient to reduce the ratios to not more than 37/47%. Income from non-borrowing spouses or other parties not obligated cannot be counted. This compensating factor may only be cited in conjunction with another compensating factor when the ratios exceed 37/47 but are not more than 40/50%. -Residual Income: Residual income must be at least equal to the applicable amounts for household size and geographic region found on the table of Residual Incomes By Region found in the VA handbook. Residual income used as compensating factor must be completed in the same manner as calculated for VA loans.

FHA

Exhibit A for Comp Factors



Lowest Minimum Decision Credit Score	Maximum Qualifying Ratios (%)	Acceptable Compensating Factors
500-579 or No Credit Score	31/43	Not Applicable. Borrowers with minimum decision credit scores below 580, or with no credit score may not exceed 31/43 ratios.
580 and Above	31/43	No Compensating factors required
580 and Above	37/47	ONE of the following: -Verified and Documented Cash Reserves -Minimal Increase in Housing Payment -Residual Income
580 and Above	40/40	-No Discretionary Debt
580 and Above	40/50	TWO of the following: -Verified and Documented Cash Reserves -Minimal Increase in Housing Payment -Significant additional income not reflected in Effective income; and/or -Residual Income

Streamline - Credit/Non-Credit Qualifying

Credit Score	Minimum FICO 580
AUS Requirement	Manual Underwriting Only
Bankruptcy	Follow standard FHA requirements.
Foreclosure	Follow standard FHA requirements. A minimum of 3 years must have elapsed since the date of foreclosure, short sale, or deed in lieu of foreclosure.
Benefit Requirement	All streamline loans must demonstrate a net tangible benefit to the borrower per FHA requirements
Income/Employment	Borrower must be employed or have a source of income. Employed borrowers – list current employment, verbal VOE required Non-employed income – list on pg 2, documentation not required. At least one borrower must have income.
Loan Terms	Fixed: 10-30 Year terms; odd terms allowed when loan cannot exceed the remaining term + 12 years ARM: 5/1, 7/1, 10/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Follow FHA Guides
Max LTV	Based upon the maximum mortgage calculation of the lesser of the current unpaid principal balance, plus new UFMIP, up to two months interest and Pro Rata MIP, less UFMIP refund OR the original principal balance less the UFMIP refund.
Max CLTV	No Limit
Occupancy	Owner Occupied and Non-Owner Occupied (UFMIP cannot be financed on NOO)
Property Eligibility	SFD, 2-4 units, Condominium, Single-wide or Larger Manufactured (see FHA Manufactured Home Requirements)
Qualifying Ratios	Credit qualified loans must meet the requirements in ML 2014-02 , Non-credit qualified loans do not need to meet any manual underwriting requirements
Rent/Mortgage History	Subject Property: 0x30 in the 6 months preceding the application date, max 1x30 in the last 12 months. History on an Investment/Second Home: 1x60 or greater in the last 12 months requires Risk Committee Review
Repair Escrow	N/A
Seasoning	All streamlines require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Non-Traditional Credit	N/A
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.

Cash Out Type I and Type II

Credit Score	580 Minimum Fico
AUS Requirement	Approve/Eligible and Manual Underwriting Allowed
Bankruptcy	Follow standard VA requirements.
Foreclosure	Follow standard VA requirements. A minimum of 2 years must have elapsed since the date of foreclosure or deed in lieu of foreclosure.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Follow VA Guides regarding high balance and entitlement calculations
Max LTV	100% INCLUDING the funding fee. Loan amount cannot exceed 100% to include funding fee. Any portion of the fee causing the LTV to exceed 100% must be paid in cash.
Max CLTV	Follow VA Guides
Net Tangible Benefit	The new loan must: eliminate monthly mortgage insurance; reduce the term to less than the term being refinanced; reduce the interest rate; reduce the payment; increase monthly residual income; refinance interim loan to construct, alter, or repair; the new loan is 90% LTV or less; or the new loan refinances and ARM to a Fixed loan.
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, Condominium, Single-Wide or Larger Manufactured (see FHA Manufactured Home Requirements)
Qualifying Ratios	Max 65% with Approve/Eligible Findings - requires UNDERWRITER approval and Risk Committee Approval over 55% with strong compensating factors; Manual Approval: Max 39/41% - Underwriter discretion allowed up to 48%. Risk review required for exceptions over 48% with a minimum of 2 compensating factors. Manual approvals must also meet VA residual income requirements. ANY back ratio over 41% requires 120% residual, regardless of AUS decision.
Recoupment Type I	Recoupment must occur within 36 months only when VA to VA Refinance. A term reduction does not allow for a longer recoupment period on a Type I cash out.
Rent/Mortgage History	Follow AUS with Approve/Eligible Findings; Manual Approval: Scores between 580-639 Max 0x30 in the last 12 months, 640+ Scores max 1x30 in the last 12 months. Borrowers must be current for the month due for the mortgage being refinanced. Any mortgage lates in the last 12 months require a minimum of TWO compensating factors.
Repair Escrow	Allowed: Items that are health or safety issues cannot be escrowed for - weather related only, must meet VA requirements
Seasoning	Both cash out types require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Type I	The new loan amount must be EQUAL to or LESS THAN the payoff of the loan being refinanced. Fixed to Fixed requires a reduction in rate of no less than .50 bps. Fixed to ARM requires a reduction in rate of no less than 200 bps, which cannot be solely produced through discount points. Discount points exceeding 1% result in a max LTV of 90% or less.
Non-Traditional Credit	Allowed; must meet VA requirements for Non-Traditional Credit
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.
Compensating Factors	Substantial Reserves, Minimal Housing Payment Increase, Significant Residual/Disposable Income, No Discretionary Debt, Significant Additional Income Not Reflected in Effective Income, Excellent Credit History, long-term employment, Large Downpayment, The existence of Equity in Refinance Loans

VA



Purchase

Credit Score	580 Minimum FICO
AUS Requirement	Approve/Eligible and Manual Underwriting Allowed
Bankruptcy	Follow standard VA requirements.
Foreclosure	Follow standard VA requirements. A minimum of 2 years must have elapsed since the date of foreclosure or deed in lieu of foreclosure.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted only, 30 year term only
Minimum Loan Size	Follow VA Guides
Maximum Loan Size	Follow VA Guides
Max LTV	100%
Max CLTV	Follow VA Guides
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, Condominium (Must be VA Approved), Single-wide or Larger Manufactured (see VA Manufactured Home Requirements)
Qualifying Ratios	Max 65% with Approve/Eligible Findings - requires UNDERWRITER approval and Risk Committee Approval over 55% with strong compensating factors; Manual Approval: Max 39/41% - Underwriter discretion allowed up to 48%. Risk review required for exceptions over 48% with strong compensating factors. Manual approvals must also meet VA residual income requirements. ANY back ratio over 41% requires 120% residual, regardless of AUS decision.
Rent/Mortgage History	Follow AUS recommendations with Approve/Eligible Findings; Manual Approval: A minimum of TWO compensating factors are required; Scores between 580-639 Max 0x30 in the last 12 months, 640+ Scores max 1x30 in the last 12 months
Repair Escrow	Allowed: Items that are health or Safety issues cannot be escrowed for - weather related only, must meet VA Requirements
Non-Traditional Credit	Allowed; must meet VA requirements for Non-Traditional Credit
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.

Compensating Factors	Substantial Reserves, Minimal Housing Payment Increase, Significant Residual/Disposable Income, No Discretionary Debt, Significant Additional Income Not Reflected in Effective Income, Excellent Credit History, long-term employment, Large Downpayment, The existence of Equity in Refinance Loans
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VA IRRRL - Credit and Non-Credit Qualifying

Credit Score	580 Minimum Score
AUS Requirement	Manual Approval
Cash to Close	Must be verified with a 30 day bank statement, gift funds are acceptable
Cash Back	Max Cash Back- Loan approved using VA IRRRL Worksheet 26-8923 with no cash back Up to \$500 cash back is permitted due to changes in closing costs or prepaids. Over \$500 cash back requires recalculation of loan amount.
Credit Requirements	Acceptable Credit Report: Mortgage – only credit with or without credit score. Retention loans may use LoanCare account history
Discount Points	Max 90% with 2 discount points; Max 100% with 1 discount point Valuation from an appraiser required when discount points are charged, a VA appraiser is not required, nor is a NOV. When no discount points are charged, valuation is not required. No max LTV - follow VA IRRRL Worksheet 26-8923
Escrows	New loan must be escrowed. Payoff may include escrows netted. Loan Advance is not permitted.
Income/Employment	Borrower must be employed or have a source of income. Employed borrowers – list current employment, verbal VOE required. Non-employed income – list on pg 2, documentation not required. At least one borrower must have income.
Loan Terms	Fixed: 10-30 Year terms; The maximum loan term is the original term of the VA loan being refinanced plus 10 years, but not to exceed 30 years and 32 days ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Follow VA Guides
Max LTV	Follow VA Guides
Max CLTV	Follow VA Guides
Occupancy	Owner Occupied and Non-Owner (if previously occupied) allowed on IRRRL
Payoff Calculation	Current pay off interest calculation – through date of funding + 2 days.
PITI Increase 20% +	Increase in PITI 20% or greater requires full credit/ income qualification - VA Loan Analysis applies. UW to certify on final VA Loan Comparison Form
Property Eligibility	SFD, 2-4 units, Condominium (must be VA approved), Single-wide or Larger Manufactured (see VA Manufactured Home Requirements)
Qualifying Ratios	NA
Rent/Mortgage History	Subject Property: Max 1x30 in the last 12 months must be current at the time of closing. Investment/Second Home: 1x60 or greater in the last 12 months requires risk committee review
Repair Escrow	N/A
Recoupment Period	Recoupment must occur within 36 months on all IRRRLs that are not ARM to Fixed or reducing term.. .50 basis point reduction Fixed Rate to Fixed Rate Required 2.00 basis point reduction ARM to Fixed Rate There are no exceptions to the 36 month recoup except term reduction. Term reduction must meet rate reduction requirements, however recoup is not required. The note rate on the new loan must be at least .50% lower than the current rate.
Seasoning	All IRRRLs require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.
Compensating Factors	Substantial Reserves, Minimal Housing Payment Increase, Significant Residual/Disposable Income, No Discretionary Debt, Significant Additional Income Not Reflected in Effective Income, Excellent Credit History, long-term employment, Large Downpayment, The existence of Equity in Refinance Loans

HIGH BALANCE FHA/VA



Streamline/IRRRL

Credit Score	600
AUS Requirement	Manual Underwriting
Bankruptcy	Follow standard VA/FHA requirements. A minimum of 2 years must have elapsed since the BK discharge date for FHA and 1 year for VA.
Foreclosure	Follow standard VA/FHA requirements. A minimum of 3 years must have elapsed since the date of foreclosure, short sale, or deed in lieu of foreclosure for FHA and 2 years for VA.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted only, 30 year term only
Minimum Loan Size	Follow FHA/VA Guides
Maximum Loan Size	Follow FHA/VA Guides
Max LTV	Per Program Max for FHA/VA
Max CLTV	Per Program Max for FHA/VA
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, Condominium (Must be VA Approved), Single-wide or Larger Manufactured (see FHA/VA Manufactured Home Requirements)
Qualifying Ratios	FHA: Must follow manual underwriting requirements per ML 2014-02 on credit qualifying loans. VA: Must meet VA requirements on credit qualifying IRRRL - max 39/41%. Underwriter discretion allowed up to 48%. Management review required for exceptions over 48% with strong compensating factors. Manual approvals must also meet VA residual income requirements.
Rent/Mortgage History	600-619 Scores - 0x30 in the last 24 months; 620+ scores - 0x30 in the last 12 months
Repair Escrow	NA
Seasoning	All Streamlines/IRRRLs require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.

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HIGH BALANCE FHA / VA



Full Doc - Refinance/Purchase - FHA/VA

Credit Score	620
AUS Requirement	AUS Approval required on 620-679 score, Manual Underwriting Allowed with 680+ score
Bankruptcy	Follow standard FHA/VA requirements. A minimum of 2 years must have elapsed since the BK discharge date for FHA. 1 year for VA.
Foreclosure	Follow standard FHA/VA requirements. A minimum of 3 years must have elapsed since the date of foreclosure, short sale, or deed in lieu of foreclosure for FHA and 2 years for VA.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted only, 30 year term only
Minimum Loan Size	Follow VA Guides
Maximum Loan Size	Follow VA Guides
Max LTV	Per Program Max for FHA/VA
Max CLTV	Per Program Max for FHA/VA
Occupancy	Owner Occupied Only
Property Eligibility	SFD, 2-4 units, Condominium (Must be FHA/VA Approved), Double-wide or Larger Manufactured (see VA Manufactured Home Requirements)
Qualifying Ratios	FHA: Per findings on Approve/Eligible. Must follow manual underwriting requirements per ML 2014-02 VA: Max 65% with Approve/Eligible Findings - requires UNDERWRITER approval and Risk Committee Approval over 55% with strong compensating factors; Manual Approval: Max 39/41% - Underwriter discretion allowed up to 48%. Risk review required for exceptions over 48% with strong compensating factors. Manual approvals must also meet VA residual income requirements.
Rent/Mortgage History	FHA/VA: Follow AUS recommendations with Approve/Eligible Findings; FHA: Manual Approval: Follow FHA Satisfactory Credit Requirements: The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months. The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on revolving accounts in the previous 12 months. Major derogatory credit on revolving accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date. A minimum of TWO compensating factors are required.
Repair Escrow	Allowed: Items that are health or Safety issues cannot be escrowed for - weather related only, must meet FHA guides
Non-Traditional Credit	Allowed; must meet FHA/VA requirements for Non-Traditional Credit
Seasoning	All VA/FHA refinances require at least 6 payments made, the passage of 6 FULL months from the first payment date, and 240 days from note date to first payment MADE date. Loans with less than 12 months seasoning require a transaction history to determine the first payment made date.
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.
Compensating Factors	FHA: See FHA Rate and Term/Purchase Overlay Matrix for compensating factors VA: Substantial Reserves, Minimal Housing Payment Increase, Significant Residual/Disposable Income, No Discretionary Debt, Significant Additional Income Not Reflected in Effective Income, Excellent Credit History, long-term employment, Large Downpayment, The existence of Equity in Refinance Loans

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DURP Eligibility Matrix



Appraisal	~As determined by DU (required for Manufactured and TX50(a)(6)) ~All appraisals require the Market Conditional Addendum (1004MC)
Borrowers (Eligible/Ineligible)	~Borrower(s) must be receiving a benefit through the DU Refi Plus transaction. The borrower benefit requirements are: -Borrower's principal and interest payment is decreasing -If the borrower's principal and interest payment is staying the same or increasing, the borrower must be moving to a more stable product (i.e. ARM to fixed, 30 yr to 15 yr, Interest only to Fixed) -Borrower's interest rate is decreasing ~A borrower may be removed from a new loan provided at least one of the original borrowers remain on the loan ~Max 4 borrowers per transaction
Cash Reserves	~As determined by DU
Closing Requirements	~Cash back at closing cannot exceed \$250 ~All existing subordinate financing must be re-subordinated. Subordinate financing cannot be paid off with the proceeds of the loan.
Condos/PUDs	~No additional requirements - Must confirm property is not a condotel or hotel, houseboat project, timeshare or segmented ownership project. Property must have adequate hazard, flood, and liability insurance coverage.
Credit History	~As per FNMA guides for BK/Foreclosure ~Mortgage must be current at the time of closing, otherwise as per DU
Credit Scores	580 Minimum Score
Disaster Area	~Disaster certification required for properties that have experienced a disaster within 90 days of the date of closing. Disaster areas are those designated by FEMA as having experienced a major disaster and where individual assistance is available.
Documentation	~Minimum Documentation required by DU
Escrows	~See escrow Waiver Policy
Geographic Restrictions	~None
HPML	~HPML loans require minimum 620 score, maximum DTI 50%, Escrows, and an ability to repay analysis.
Investment Properties	~Yes
Leasehold	~Loan must have a remaining term of 5 years past the maturity date of the loan. All leasehold documents required.
Loan Term	10, 15, 20, 25, and 30 year, ARMs
Maximum LTV/CLTV/HCLTV	~As per DU
Maximum/Minimum Loan Amounts	~No minimum loan amount. ~Maximum loan amount \$417,000
Mortgage Insurance	~Reduced MI is not allowed ~Borrower paid monthly and lender paid single premium allowed ~Lender paid monthly or annually not allowed ~Borrower may convert from LPMI Monthly to BPMI Monthly with acknowledgement letter and continued benefit.
Non-Occupant co-borrower	~Allowed if existing borrower on the note is no longer occupying ~Adding a new non-occupant co-borrower is not allowed
Number of loans/properties	~Unlimited
Occupancy	~Owner Occupied, Primary Residence, Second Home, Investment
Properties (Eligible/Ineligible)	~1-2 units, attached and detached are eligible ~3-4 unit properties are ineligible
Ratios	~Maximum DTI as determined by DU ~HPML Loans require 50% max DTI regardless of DU Response
Refinances	~Cash back limited to \$250 ~TX 50(a)(6) allowed - Must follow 50(a)(6) requirements below
Subordinate Financing	~All existing subordinate financing must be resubordinated ~Must meet all Fannie Mae guidelines ~Subordinate financing may only be paid off with the borrower's own funds ~A copy of the subordination agreement, note, and mortgage/deed must be obtained.
Texas 50(a)(6)	~Max LTV/CLTV = 80%/80% ~An Appraisal must be obtained for all 50(a)(6) transactions ~ARM Loans are not allowed ~Must meet requirements contained in TX50(a)(6) Matrix
Underwriting	~A property fieldwork waiver is available on certain loans as determined by DU; otherwise, a full appraisal with interior and exterior inspection is required. ~It is not required to confirm the property is not currently listed for sale ~Manual Underwriting is not allowed ~All loans must be underwritten through DU and receive an Approve Eligible

Assumptions



FHA/VA	
Credit Score	740
AUS Requirement	Manual Approval
Bankruptcy	No Derogatory Credit in the past 7 years
Foreclosure	No Derogatory Credit in the past 7 years
Income Requirements	Qualification with base pay only, no overtime, bonus, or commission income allowed to qualify. Self-employed borrowers must be self-employed and recognized by the state as so for a minimum of 5 years. Three years tax returns are required for all loans.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	None
Maximum Loan Size	Standard Limits apply
Max LTV	50%
Max CLTV	50%
Occupancy	Owner Occupied Only
Property Eligibility	Single Family Residence Only
Qualifying Ratios	Max 26/36%
Rent/Mortgage History	No rental or mortgage lates allowed
Reserves	4 months PITI Reserves Required
Non-Traditional Credit	Allowed; must meet VA requirements for Non-Traditional Credit
Disaster	Disaster within 90 days without individual assistance: No disaster cert required, Homeowners agent certification of no claims required. Disaster within 90 days of application with individual assistance requires a Disaster Certification. If appraisal was performed AFTER the disaster, no additional cert is required.

**Notes Assumption applications come from LoanCare directly to NLC Loans retention department for review and processing

<http://www.nationslending.com/>

Effective 4.12.19

FHA 203(k)



203(K)	
Credit Score	620 Minimum Score
AUS Requirement	Approve Eligible/Manual Underwriting Both Eligible
Bankruptcy	Follow standard Agency requirements.
Foreclosure	Follow standard Agency requirements.
Loan Terms	Fixed: 10-30 Year terms ARM: 5/1 accepted, 30 year term only
Minimum Loan Size	Follow Streamline and Full 203k requirements
Maximum Loan Size	County Loan Limits - High Balance allowed with High Balance score requirements
Max Debt Ratio	Per FHA requirements/Findings
Max LTV	Max Financing FHA
Max CLTV	Max Financing FHA
Occupancy	Owner Occupied Only
Property Eligibility	SFR, Multi-Unit , Double-Wide Manufactured, and Condominium allowed
Rent/Mortgage History	Management VOR required or 12 months cancelled checks with private VOR when VOR is required by findings. 0x30 Rental/Mortgage history in the last 12 months, Max 1x30 in the last 24
Reserves	Per program requirements
Satisfactory Credit	Refer: No major derogatory credit on any revolving or installment account in the last 24 months. Major derogatory for revolving is defined any payments made more than 60 Days after the due date, or three or more payments more than 30 Days after the due date. Installment accounts may have no more than one 30 day late payment in the past 12 months.
Non-Traditional Credit	Not Allowed
General	Must meet all standard FHA requirements for 203(b) program and all 203(k) program requirements
http://www.nationslending.com/	
Effective 4.12.19	
Program Notes:	