



FHA PRINCIPAL RESIDENCE STANDARD AND HIGH BALANCE LTV MATRIX							
PROPERTY TYPE		PURCHASE		NO CASH OUT		CASH OUT REFINANCE	
		LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO
1-4 UNITS	DU® Approve**	96.50%/105%	580	97.75%	580	80.00%	580
		90.00%	550*	90.00%	550		
	Manual UW	96.50%	600	97.75%	600	75.00%	600
		90.00%	580	90.00%	580		
SFR Only	Manual UW	90.00%	No FICO	N/A	N/A	N/A	N/A

* Loans with FICO below 580 have a maximum DTI of 50%

** Only Desktop Underwriter® (DU®) may be used on loans where AUS is required

PRODUCT OFFERINGS	
Fixed Rate Products	<ul style="list-style-type: none"> • 15, 20, 25, 30 year fixed • Nonstandard terms available

Streamline Refinances are eligible – see the FHA Streamline Guidelines with Overlays Matrix for details

FHA 2024 MORTGAGE LIMITS (COUNTY LOOKUP: https://entp.hud.gov/idapp/html/hicostlook.cfm)				
Effective for Case Numbers Assigned Between January 1, 2024, and December 31, 2024				
UNITS	FHA LOW-COST AREA	HIGH-COST AREA FHA FORWARD/FNMA/FHLMC	HIGH-COST AK, GM, HI, USVI FHA FORWARD	FANNIE/FREDDIE STANDARD
1	\$498,257	\$1,149,825	\$1,724,725	\$766,500
2	\$637,950	\$1,472,250	\$2,208,375	\$981,500
3	\$771,125	\$1,779,525	\$2,669,275	\$1,186,350
4	\$958,350	\$2,211,600	\$3,317,400	\$1,474,400

TOPIC	OVERLAY
BASIC GUIDELINES	Overlays in this matrix apply to Federal Housing Administration (FHA) guidelines. Refer to the FHA Single Family Housing Policy Handbook 4000.1 for additional guidance. Information in this matrix is subject to change without notice.
Amended Tax Returns	<p>Accepted for the following amendment reasons:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Amended at least sixty (60) days before mortgage application taken ○ Amendment shows on transcripts (stamped returns not acceptable) ○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> ▪ 1099 or W2 showing missed/updated income ▪ Canceled Checks or Bank Statements showing missed/updated rental income
Appraisal Requirement	<ul style="list-style-type: none"> • Certified appraiser must complete a full appraisal for all loan amounts over \$1MM regardless of any temporary guidance.
Assets	<ul style="list-style-type: none"> • Bank Statements must show account activity for a full two (2) month period. <ul style="list-style-type: none"> ○ Follow AUS requirements for all loans approved by DU® • 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.
AUS	<ul style="list-style-type: none"> • Only Desktop Underwriter® (DU®) may be used on loans where AUS is required
Credit – Borrower with No FICO	<p>Non-traditional Credit Requirements</p> <ul style="list-style-type: none"> • Non-traditional and Insufficient Credit (Manual) for borrowers without a Credit Score, the Mortgagee must either obtain a Non-traditional Mortgage Credit Report (NTMCR) from a credit reporting company or independently develop the borrower’s credit history using the requirements outlined below: <ul style="list-style-type: none"> ○ Non-traditional Mortgage Credit Report (NTMCR) <ul style="list-style-type: none"> ▪ Definition: NTMCR refers to a type of credit report designed to access the credit history of a borrower who does not have the types of trade references that appear on a traditional credit report. ▪ Standard: An NTMCR is used either as a substitute for a TRMCR or RMCR, or as a supplement to a traditional credit report that has an insufficient number of trade items reported to generate a credit score. ○ Mortgagees may use an NTMCR developed by a credit reporting agency that verifies the following information for non-traditional credit references:

TOPIC	OVERLAY
<p>Credit – Borrower with No FICO (Continued)</p>	<ul style="list-style-type: none"> ▪ The existence of the credit providers; ▪ That credit was actually extended to the borrower; and ▪ The creditor has a published address or telephone number <p>○ The NTMCR must not include subjective statements such as “satisfactory” or “acceptable” and it must be formatted in a similar fashion to traditional references providing the following:</p> <ul style="list-style-type: none"> ▪ Creditor’s name; ▪ Date of opening; ▪ High credit; ▪ Current account status and 12-month account history; ▪ Required monthly payment; ▪ Unpaid balance; and ▪ Payment history in the delinquency categories (i.e. 0x30, 0x60, etc.) <p>Independent Verification</p> <ul style="list-style-type: none"> • The mortgagee may independently verify the borrower’s credit references by documenting the existence of the credit provider and that the credit provider extended credit to the borrower. • To verify the existence of each credit provide, the mortgagee must review public records from the state, county, or city, or other documents providing a similar level of objective information. • To verify credit information, the mortgagee must: <ul style="list-style-type: none"> ○ Use a published address or telephone number for the credit provider and not rely solely on information provided by the applicant; and ○ Obtain the most recent 12 months of canceled checks, or equivalent proof of payment, demonstrating the timing of payment to the credit provider. • To verify the borrower’s rental payment history, the mortgagee must obtain a rental reference from the appropriate renal management company, provided the borrower is not renting from a family member, demonstrating the timing of payment of the most recent 12 months in lieu of 12 months of canceled checks or equivalent proof of payment. <p>Sufficiency of Credit References</p> <ul style="list-style-type: none"> • To be sufficient to establish the borrower’s credit, the credit history must include three credit references, including at least one of the following: <ul style="list-style-type: none"> ○ Rental housing payments (subject to independent verification if the borrower is a renter); ○ Telephone service; or ○ Utility company reference (if not included in the rental housing payment), including: (Continued)

TOPIC	OVERLAY
<p>Credit – Borrower with No FICO (Continued))</p>	<ul style="list-style-type: none"> ▪ Utilities (i.e. Gas, Electricity, Water); ▪ Television service; or ▪ Internet service. <ul style="list-style-type: none"> • If mortgagee cannot obtain all three credit references from the list above, the mortgagee may use the following sources of unreported recurring debt: <ul style="list-style-type: none"> ○ Insurance premiums not payroll deducted (i.e. medical, auto, life, renter’s insurance); ○ Payment to childcare providers (must be made to business that provides such services); ○ School tuition; ○ Retail store card (for example, from department, furniture, appliance store or specialty store) ○ Rent-to-own (i.e. appliances, furniture) ○ Payment of the borrower’s responsibility on medical bills (portion not covered by insurance) ○ Documented 12-month history of savings evidenced by regular deposits resulting in an increased balance to the account where the deposits are: <ul style="list-style-type: none"> ▪ Made at least quarterly; ▪ Not payroll deducted; and ▪ Not the cause of insufficient funds (NSF) checks. ○ Automobile lease ○ Personal loan from an individual with repayment terms in writing and supported by canceled checks to document payments; or ○ Documented 12-month history of payment by the borrower on an account for which they are an authorized user. <p>Assets and Reserves</p> <ul style="list-style-type: none"> • Two months bank statements are required • Reserves: Manual <ul style="list-style-type: none"> ○ Reserves refer to the sum of the borrower’s verified and documented liquid assets minus the total funds the borrower is required to pay at closing (Reserves do not include the amount of cash taken at settlement in cash-out transactions); ○ Incidental cash received at settlement in other loan transactions; ○ Gift funds; ○ Equity in another property; or ○ Borrowed funds from any source. • Reserves: 1-2 Unit Properties – Mortgagee must verify and document reserves equivalent to one months’ PITI after closing for 1-2 Unit properties. <p style="text-align: right;">(Continued)</p>

TOPIC	OVERLAY
Credit – Borrower with No FICO (Continued)	<ul style="list-style-type: none"> Reserves: 3-4 Unit Properties – Mortgagee must verify and document reserves equivalent to three months’ PITI after closing for 3-4 Unit properties. All other manual underwriting asset requirements apply.
Credit Report - Tradelines	Borrowers whose only credit history is built from Authorized User Accounts are not eligible.
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.
Debt-to-Income Ratio (DTI) - FHA	<p>Maximum DTI</p> <ul style="list-style-type: none"> FICO ≥ 580: Follow DU® Approve-Eligible FICO < 580: Max of 50% regardless of DU® findings Manual Underwrite: Per FHA Guidelines, compensating factors required if ratios are > 31/43% <ul style="list-style-type: none"> NO FICO loans are capped at 31/43%, regardless of compensating factors FICO ≥ 580: 37/47% - ONE of the following is required: <ul style="list-style-type: none"> Verified and documented cash reserves; Minimal increase in housing payment; or Residual income FICO ≥ 580: 40/40% <ul style="list-style-type: none"> No discretionary debt FICO ≥ 580: 40/50% - TWO of the following are required <ul style="list-style-type: none"> Verified and documented cash reserves; Minimal increase in housing payment; Significant income not reflected in effective income; and/or Residual income
Electronic Signatures/eSigning	<ul style="list-style-type: none"> eSigning is allowed for most documents. eSigning is not allowed for items below: (or any Loans with POA) <ul style="list-style-type: none"> Note Note Rider(s) Notice of Right to Cancel Security Instrument Security Instrument Rider(s) <p style="text-align: right;">(Continued)</p>

TOPIC	OVERLAY
Electronic Signatures/eSigning (Continued)	<ul style="list-style-type: none"> ○ COVID-19 Temporary Attestation
Employment Verification	Direct electronic verification of employment by third-party vendors is not permitted.
Escrow Account	Escrow Account required; no escrow waiver allowed.
Family-Owned Business	Two years tax returns are required regardless of DU® recommendation.
FHA Streamline Refinance	Streamline Refinances are eligible – see the FHA Streamline Guidelines with Overlays Matrix for more details
Ineligible Programs - FHA	<ul style="list-style-type: none"> ● 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 ● Section 247 - Hawaiian Homelands ● Section 248 - Indian Reservations ● Texas 50(a)6 transactions
Ineligible Properties	<ul style="list-style-type: none"> ● Co-Ops ● Indian Leased Land ● Resale type Deed Restrictions ● Solar Panels that affect first lien position
Minimum Loan Amount	\$75,000
Mortgage Credit Certificate (MCC)	Not permitted
Multiple Loans to One Borrower	<ul style="list-style-type: none"> ● FL will close 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.
Non-Occupant Co-Borrower	Allowed per FHA guidelines.

TOPIC	OVERLAY																		
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> • Acceptable Visa evidence 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 allowed: <ul style="list-style-type: none"> ○ EAD must be current (if expiring within one year, evidence history of renewals) ○ Income source must be stable with a two-year work history • Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible 																		
Payment History	<ul style="list-style-type: none"> • 0x30 lates in the last 12 months for all manual underwrites • Follow FHA guidelines for all DU® approved loans 																		
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction.																		
Recently Listed Properties	Property must be off the market at least one day prior to mortgage application date.																		
Renegotiated Purchase Contract	<ul style="list-style-type: none"> • Not allowed; however, minor adjustments due to condition or other relevant factors are permitted. • Increase of sales price after appraisal completed is not permitted. 																		
Reserve Requirements	<ul style="list-style-type: none"> • 3 months PITIA is required for all 3-4-unit properties • 1 month for all manual underwrites <ul style="list-style-type: none"> ○ If DTI > 31/43% additional reserves may be required • Please reference FHA Comp Factors for additional guidelines <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Lowest Minimum Decision Credit Score</th> <th style="text-align: center;">Maximum Qualifying Ratios (%)</th> <th style="text-align: center;">Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">500-579 or No Credit Score</td> <td style="text-align: center;">31/43</td> <td>Not applicable. Borrowers with Minimum Decision Credit Scores below 580, or with no credit score may not exceed 31/43 ratios.</td> </tr> <tr> <td style="text-align: center;">580 and above</td> <td style="text-align: center;">31/43</td> <td>No compensating factors required. Energy Efficient Homes may have stretch ratios of 33/45.</td> </tr> <tr> <td style="text-align: center;">580 and above</td> <td style="text-align: center;">37/47</td> <td>One of the following: <ul style="list-style-type: none"> • verified and documented cash Reserves; • minimal increase in housing payment; or • residual income. </td> </tr> <tr> <td style="text-align: center;">580 and above</td> <td style="text-align: center;">40/40</td> <td>No discretionary debt.</td> </tr> <tr> <td style="text-align: center;">580 and above</td> <td style="text-align: center;">40/50</td> <td>Two of the following: <ul style="list-style-type: none"> • verified and documented cash Reserves; • minimal increase in housing payment; • significant additional income not reflected in Effective Income; and/or • residual income. </td> </tr> </tbody> </table>	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. Energy Efficient Homes may have stretch ratios of 33/45.	580 and above	37/47	One of the following: <ul style="list-style-type: none"> • verified and documented cash Reserves; • minimal increase in housing payment; or • residual income. 	580 and above	40/40	No discretionary debt.	580 and above	40/50	Two of the following: <ul style="list-style-type: none"> • verified and documented cash Reserves; • minimal increase in housing payment; • significant additional income not reflected in Effective Income; and/or • residual income.
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TOPIC	OVERLAY
Social Security Number (SSN)	All borrowers must have a valid SSN.
Tax Transcripts	Required when tax returns are used to qualify borrower income
Temporary Buydowns	Allowed with Limitations – see ‘Temporary Buydown Guide’ below for specific terms and conditions
Unpaid Federal Tax Debt	<ul style="list-style-type: none"> FL considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed; three months’ payments 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.
TOPIC	OVERLAY
MANUFACTURED HOME GUIDELINES	Overlays in this matrix apply to Federal Housing Administration (FHA) guidelines. Refer to the FHA Single Family Housing Policy Handbook 4000.1 for additional guidance. Information in this matrix is subject to change without notice.
Standards (09/14/2015)	Appraiser must notify mortgagee and report any deficiency of MPR or MPS if a manufactured home does not comply with the following: <ul style="list-style-type: none"> Floor area must be \geq 400 sq ft Constructed on or after June 15, 1976, in conformance with the federal MHCSS, as evidenced by an affixed HUD Certification Label in accordance with 24 CFR §3280.11 (Manufactured Homes produced prior to June 15, 1976 are ineligible for insured financing.) Manufactured home and site exist together as a real estate entity in accordance with state law (but need o be treated as real estate for taxation purposes) Manufactured home was moved from the factory or dealer directly to the site Manufactured home was designed to be used as a dwelling with a permanent foundation built to comply with PFGMH Finished grade elevation beneath the manufactured home (or, if basement used, the grade beneath the basement floor) is at or above the 100-year return frequency flood elevation Structure is designed for occupancy as a principal residence by a single family Lease, if applicable, meets the requirements of Valuation of Leasehold Interest
Estimate Cost (New Construction)	The appraiser must apply the cost approach for New Construction Manufactured Housing.
Flood Zone	<ul style="list-style-type: none"> FL does not allow manufactured homes in a flood zone.

TOPIC	OVERLAY
Foundation: Existing Construction	<ul style="list-style-type: none"> • Definition: Existing construction for manufactured housing refers to a manufactured home that has been permanently installed on a site for one year or more prior to the case number assignment date. • Standard: If the perimeter enclosure is non-load-bearing skirting comprised of lightweight material, the entire surface area of the skirting must be permanently attached to backing made of concrete, masonry, treated wood, or a product with similar strength and durability. <ul style="list-style-type: none"> ○ Skirting: Skirting refers to a non-structural enclosure of a foundation crawl space that is typically, but not always, a lightweight material such as vinyl or metal attached to the side of the structure and extending to the ground (generally not installed below frost depth). ○ Perimeter Enclosure (MPR/MPS Item): The space beneath the manufactured home must be properly enclosed; the perimeter enclosure must be a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space. • Required Analysis and Reporting: If the manufactured home foundation does not meet the requirements for Existing Construction, the appraiser must notify the mortgagee and report the deficiency in the MPR or MMPS.
Foundation: New Construction	<ul style="list-style-type: none"> • Definition: New construction for manufactured housing refers to a manufactured home that has been permanently erected on a site for less than one year prior to the case number assignment date. • Standard: The space beneath the house must be enclosed by a continuous foundation type construction designed to resist all forces to which it is subject without transmitting forces to the building superstructure; the enclosure must be adequately secured to the perimeter of the house and be constructed of materials that conform, accordingly, to HUD MPS (such as concrete, masonry or treated wood) and the PFGMH for foundations. • Required Analysis and Reporting: If the manufactured home foundation does not meet the requirements for New Construction, appraiser must notify the mortgagee and report the deficiency of the MPR or MPS.
HUD Data Plate	<ul style="list-style-type: none"> • Standard HUD Data Plate Requirements: Manufactured homes have a data plate affixed in a permanent manner, typically adjacent to the electric service panel, the utility room, or within a cabinet in the kitchen. • Required Analysis and Reporting: The appraiser must report the information on the data plate within the appraisal, including the manufacturer name, serial number, model, and date of manufacture, as well as wind, roof load, and thermal zone maps. • Missing Data Plate (of Appraiser Cannot Locate): If the data plate is missing or the appraiser is unable to locate it, the appraiser must report this in the appraisal and is not required to secure the data plate information from another source. <ul style="list-style-type: none"> ○ If the data plate is missing or appraiser cannot locate it, FL requires an IBTS report.

TOPIC	OVERLAY
IBTS Report/HUD Certification FHA	<p>HUD Certification Label Standard:</p> <ul style="list-style-type: none"> • The manufactured home must have an affixed HUD Certification Label located at one end of each section of the house, approximately one foot up from the floor and one foot in from the roadside, or as near that location on a permanent part of the exterior of the house, as practicable. Etched on the HUD Certification Label is the certification label number, as referred to as the HUD label number. Label numbers are not required to be sequential on a multi-section house. • Required Analysis and Reporting: The appraiser must report the HUD label number for all sections, or report that the HUD Certification Label is missing or that the appraiser was unable to locate it.
Ineligible Features	<ul style="list-style-type: none"> • The following are not allowed in relation to a manufactured home: <ul style="list-style-type: none"> ○ Located in a co-op, condo, or PUD project ○ Located in a flood zone ○ Manufactured home with a leasehold ○ Manufactured home with an ADU or other structure ○ EEMs are not allowed for manufactured homes
Manufactured Home Additions	<ul style="list-style-type: none"> • Any addition to the original structure (i.e. patio, deck, carport, rooms, etc.) requires a structural engineer report. <ul style="list-style-type: none"> ○ If the appraiser observes additions or structural changes to the original manufactured home, the appraiser must condition the appraisal upon inspection by the state or local jurisdiction administrative agency that inspects manufactured housing for compliance (or a licensed structural engineer may report on the structural integrity of the manufactured dwelling and the addition if the state does not employ inspectors).

TEMPORARY BUYDOWN GUIDE	
Product Eligibility	<ul style="list-style-type: none"> • DU® Approve recommendations only – not allowed on manually underwritten loans • 30-Year Fixed Rate only • Conforming and High-Balance loan amounts • Primary Residence only • Purchase Transactions only • Single Family (1-2 Units), PUD and Condo only • Seller / Builder funded only
Term of Buydown	<ul style="list-style-type: none"> • 2/1 Buydown: <ul style="list-style-type: none"> ○ 24-month term ○ Initial interest rate temporarily reduced by no more than two percent below the note rate and increased by no more than one percent annually for no more than two years, with the non-reduced note rate applying for years three through 30 • 1/0 Buydown: <ul style="list-style-type: none"> ○ 12-month term ○ Initial interest rate temporarily reduced by no more than one percent below the note rate, with the non-reduced note rate applying for years two through 30
Underwriting Criteria	<ul style="list-style-type: none"> • Borrowers qualified using note rate, not buydown rate • Standard Interested Party Contribution guidelines apply • Temporary Buydowns are not allowed on manually underwritten loans • Seller / Builder funded only