



LendingSpace Delegated Government Overlay Matrix

FHA PROGRAMS	
TOPIC	POLICY OVERLAY
4506-T Transcripts	<ul style="list-style-type: none"> Fully executed IRS form 4506-T must be included in all loan files Transcripts are required for the following income types: Self-employed; commission greater than 25%; rental income documented on Schedule E; employed by family; fixed income types such as disability, social security, retirement, child support, alimony, etc. when the 1040s are obtained in lieu of alternative documentation
Assets	Sweat equity not allowed
Buydown	Not permitted at this time
Cash-Out Refinances	Maximum cash-in-hand for 1-4 unit properties - \$300,000
Credit	<ul style="list-style-type: none"> Purchase, Rate & Term Refinance – 1-2 Units/Condo/PUD: 600 Purchase, Rate & term Refinance – 3-4 Units: 620 Cash-Out Refinance – 1 Unit/Condo/PUD: 600 Cash-Out Refinance – 2 Unit: 620 Cash-Out Refinance – 3-4 Unit: 640 FHA Streamline Refinance - 1-2 Unit/Condo/PUD : 580 FHA Streamline Refinance – 3-4 Unit: 620 FHA Streamline Refinance – Second Home & Investment: 580 Modified loans: refinance permitted, cash out 2 years since modification
Credit Reports	Credit reports for streamline refinances must be tri-merge credit reports
Maximum Flagstar Loans	<p>Flagstar Bank will not purchase loans for borrowers having more than five loans with Flagstar Bank or having an aggregate loan amount \geq \$4,000,000. The maximum number of loans and aggregate loan amount calculations include all of the following:</p> <ul style="list-style-type: none"> Non-closed loans with Flagstar Bank Loans that are closed and currently serviced by Flagstar Bank Loans that were closed with Flagstar Bank but the servicing rights have been sold to another lender within the most recent 24 months
Power of Attorney	<ul style="list-style-type: none"> Permitted for purchase or rate/term refinance only Cash-out refinances may not close with a power of attorney other than a military durable power of attorney Powers of Attorney may not be e-signed
Ineligible Programs	<ul style="list-style-type: none"> Non-fully disbursed 203(k) Title I loans HECM (Reverse Mortgages) Section 247 – Hawaiian Homelands Section 248 – Indian Reservations Section 184 – Indian Home Loan Guarantee Program Section 223(e) – Declining Neighborhoods FHA Negative Equity Refi (ADP Codes 821, 822, 831, 832) Energy Efficient Mortgages Low FICO program
Ineligible Properties	<ul style="list-style-type: none"> Manufactured Homes Properties with a PACE loan that will not be paid off prior to or at closing. HERO loans are issued under the PACE financing program Properties located in Puerto Rico 3-4 unit properties when one or more borrower does not have credit scores Properties having both a stick-built and manufactured home located on the same parcel or property unless the manufactured home is unoccupied and utilities are not hooked up Investment properties under the HUD REO program Co-ops
State Eligibility	Properties located in New York are eligible, provided they are not Consolidation Extension and Modification Agreement (CEMA) loans



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FHA PROGRAMS CONT.	
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Property Inspections for Presidentially Declared Disaster	If the streamline refinance pays off any servicer other than Flagstar, an inspection meeting FHA's disaster inspection requirements is required when the loan is cleared to close within 120 days of the disaster declaration
Purchases of Short Sales	<ul style="list-style-type: none"> • Copy of the fully executed short sale agreement is required • Purchase transaction must be an arms-length transaction
Recently Listed Properties	Property must be off the market at least one day prior to application.
Section 8	Subsidies paid directly to the servicer are not permitted and may not be deducted from the borrower's proposed housing payment when calculating the ratios.
Mortgage Credit Certificates	Not permitted at this time
203h Program	Limited to 96.5% LTV and Minimum Credit Score of 620

VA PROGRAMS	
TOPIC	POLICY OVERLAY
4506-T Transcripts	<ul style="list-style-type: none"> • Fully executed IRS form 4506-T must be included in all loan files prior to and at closing • Transcripts are required for the following income types: Self-employed; commission greater than 25%; rental income documented on Schedule E; employed by family; fixed income types such as disability, social security, retirement, child support, alimony, etc. when the 1040s are obtained in lieu of alternative documentation.
Assets	Sweat equity not allowed
Buydown	Ineligible
Cash Reserves/Ratio	Approve Response: Six months' PITI if 2-4 unit property. No High Balance.
Closing VOE	<ul style="list-style-type: none"> • Reverification of employment related income must be completed within 10 days prior to the date of the note. • Verbal re-verification of employment is acceptable.
Credit	<ul style="list-style-type: none"> • Purchase - 1-4 Units/Condo/PUD: Loan amount up to \$1,000,000: 620 • Purchase – 1-4 Units/Condo/PUD: > \$1,000,000 to \$2,000,000: 680 • Rate & Term Refinance - 3-4 Units: Loan amount up to \$1,000,000: 620 • Rate & Term Refinance - 3-4 Units: > \$1,000,000 to \$2,000,000: 680 • Cash-Out Refinance – 1-2 Unit/Condo/PUD: Loan amount up to \$1,000,000: 620 • Cash-Out Refinance – 1-2 Unit/Condo/PUD: > \$1,000,000 to \$2,000,000: 680 • Cash-Out Refinance – 3-4 units: Loan amount up to \$1,000,000: 640 (Six months reserves required.) • Cash-Out Refinance – 3-4 Unit: > \$1,000,000 to \$2,000,000: 680 (Six months reserves required.) Max LTV- 90% • IRRRL – 1-2 Units/Condo/PUD: 600 • IRRRL – 3-4 units: 620 Six months reserves required.
Eligibility	<p>The following joint loans are ineligible:</p> <ul style="list-style-type: none"> • All veterans are using entitlement and one is exempt from paying the funding fee but all others are non-exempt • Two or more unmarried veterans are borrowers on a loan but only one is using entitlement • Two or more veterans are using entitlement but one or more of the veterans' funding fee factors differs from the others (one veteran's funding fee factor is 2.15% and the other veteran's funding fee factor is 3.30%) • Borrowers are a veteran and non-veteran who is not the veteran's spouse and the veteran is subject to paying a funding fee



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VA PROGRAMS CONT.	
TOPIC	POLICY OVERLAY
State Eligibility	Properties located in New York are eligible, provided they are not Consolidation Extension and Modification Agreement (CEMA) loans
Funding Fee	Funding fee may not be split and must be fully financed or fully paid at closing
Ineligible Loan Programs	Energy efficient mortgages
IRRRLs	Borrower must have made six payments on the loan being refinanced. No second homes or investments
Loan Amount	<ul style="list-style-type: none"> Maximum loan amount Purchase \$2,000,000 Maximum loan amount Rate & Term and Cash-out \$2,000,000
LTV – Cash Out	<ul style="list-style-type: none"> Max LTV/CLTV for 3-4 unit cash-out: 90%/90%, 6 month reserves Max LTV/CLTV for 1-2 unit cash-out: 100%/100%
Maximum Flagstar Loans	<p>Flagstar will not purchase loans for borrowers having more than five loans with Flagstar Bank or having an aggregate loan amount \geq \$4,000,000. The maximum number of loans and aggregate loan amount calculations include all of the following:</p> <ul style="list-style-type: none"> Non-closed loans with Flagstar Bank Loans that are closed and currently serviced by Flagstar Bank Loans that were closed with Flagstar Bank but the servicing rights have been sold to another lender within the most recent 24 months
Non-Occupant Co-Borrowers	Ineligible
Powers of Attorney	<ul style="list-style-type: none"> Not permitted for cash-out transactions Powers of Attorney may not be e-signed
Ineligible Properties	<ul style="list-style-type: none"> Manufactured homes Properties with a PACE lien that will not be paid off prior to or at closing. Note: HERO loans are issued under the PACE financing program Properties located in Puerto Rico 3-4 unit properties when one or more borrower does not have credit scores Condominiums without an HOA Properties having both a stick-built and manufactured home located on the same parcel or property unless the manufactured home is unoccupied and utilities are not hooked up Co-ops
Ratio	<ul style="list-style-type: none"> Maximum ratio for manually underwritten loans – 47% Maximum ratio for loans that receive an AUS approve/accept – 60%
Recently Listed Properties	Property must be off the market at least one day prior to application
Section 8	Not permitted
Mortgage Credit Certificates	Not permitted at this time
Escrow Account	No escrow waivers allowed

USDA RURAL HOUSING PROGRAM	
TOPIC	POLICY OVERLAY
Buydown	Not permitted at this time.
Credit Score	Minimum 620 credit score
Income Documentation	<p>IRS Tax Transcripts are required for the following income types:</p> <ul style="list-style-type: none"> Self-employed Commission greater than 25% Rental income documented on Schedule E Employed by family Fixed income types such as disability, social security, retirement, child support, alimony, etc., when the 1040s are obtained in lieu of alternative documentation such as awards letters, 1099s, bank statements, etc.



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USDA RURAL HOUSING PROGRAM CONT.	
TOPIC	POLICY OVERLAY
Maximum Loan Amount	<ul style="list-style-type: none">• Contiguous 48 States: \$453,100• Alaska and Hawaii: \$679,650
Ineligible Properties/Programs	<ul style="list-style-type: none">• Manufactured homes• Properties in the following states or territories are ineligible: U.S. Virgin Islands, Puerto Rico• Energy efficient mortgages• Co-ops
State Eligibility	Properties located in New York are eligible, provided they are not Consolidation Extension and Modification Agreement (CEMA) loans
Section 8	Subsidies paid directly to the servicer are not permitted and may not be deducted from the borrower's proposed housing payment when calculating the ratios
Mortgage Credit Certificates	Not permitted at this time