

Land Home Financial Services, Inc. (LHFS) overlays to Fannie Mae, Freddie Mac, FHA, VA and USDA program requirements are determined by the individual Agency. Product overlays listed below are not all-inclusive and may not address product specifics. This document is not intended to replace any Program Guidelines or Agency Guidelines. This document does not include additional overlays for down payment assistance programs. Please see program guidelines for details.

FANNIE	FREDDIE	FHA	USDA	VA	ASSETS
X	X	X	X	X	<p>AUS: VOD's are not acceptable for asset documentation alone. Documentation must be supported by the most recent one or two consecutive months of current bank statements as stated on the AUS for "funds to be verified."</p> <p>Note: May not apply to Day 1 Certainty loans.</p>
FANNIE	FREDDIE	FHA	USDA	VA	CREDIT
X	X	X	X	X	Bankruptcy: Chapter 13 Bankruptcies must be fully discharged before loan is submitted to underwriting.
X	X	X	X	X	Credit Scores: All ARM loans and MH loans must have a minimum FICO of 620
X	X				Credit Scores: All borrowers must have a minimum credit score of 620. Note: Borrowers with no score which receive an approve/eligible are acceptable.
			X		Credit Scores: All borrowers must have a minimum credit score of 620. Note: Borrowers with no scores / non-traditional credit not allowed.
		X		X	Credit Scores: All borrowers with a credit score must have a minimum score of 580.
		X			Credit Scores: FHA High Balance and Cash-Out loans require a minimum credit score of 620.
		X			Credit Scores: FHA No FICO – 1 unit only and must be a purchase transaction.
				X	Credit Scores: VA Cash-Out Refinance loans require a minimum credit score of 640.
X	X	X	X	X	Mortgage/Rental History: If AUS requires Mortgage/Rental history or payment that involves a private party, non-listed property management, or non-institutional lender, the evidence must be in the form of 12 months cancelled checks or auto payment with a copy of the lease/note to confirm the terms required. Please note, VOM/VOR as a standalone document is not permitted.
		X			Program Specifics - FHA Non-Credit Qualifying and Credit Qualifying Streamline: Any indication of delinquent utility bills and/or unpaid late charges on the payoff demand are not acceptable.
		X	X	X	Program Specifics: Mortgage credit rating only FHA & USDA Streamlines and VA IRRRL mortgages: Borrowers with signs of financial distress such as recent BK, Foreclosure of other real estate owned, miscellaneous liens on title, multiple unpaid late payments on pay off demand, or delinquent utility bills will be ineligible for a mortgage only transaction.
				X	Program Specifics: Seasoning requirement for VA IRRRL transactions require a minimum of six consecutive monthly payments prior to loan closing date. If the credit report does not reflect six consecutive monthly payments, the required payment history must be obtained.
X	X				Program Specifics: Use of non-traditional credit reports, history, or documentation is not allowed except for Fannie Mae's HomeReady Program or Freddie Mac Home Possible. Must have AUS Approve or Accept/Eligible.
X	X	X	X	X	Tax Repayment Plans: Follow agency guidelines, however if borrower has not paid current year taxes due and is on extension, taxes must be paid current or taxes must be filed and have an approved IRS installment plan established.



FANNIE	FREDDIE	FHA	USDA	VA	EMPLOYMENT / INCOME
X	X	X	X	X	Rental income: Rental income received from a relative is not eligible unless proof of 12-month payment history of rents is documented
X	X	X	X	X	Tax Returns: If returns are amended for errors or documented omissions, then amended returns are acceptable. Removing expenses or amending with the intent to change income profile over last 2 years is not acceptable regardless of when the amendment was completed. If the AUS calls for 1 year 1040's for self-employed, amended returns are not acceptable for reasons other than error or omission.
X	X	X	X	X	<p>VOE's: When the complete written verification for employment with breakdown of income is present, Land Home also requires the following:</p> <ul style="list-style-type: none"> • Paystub, and/or • W-2's (as noted on AUS) <p>Note: Above LHFS overlay does not apply to conventional Fannie Mae (DU) transactions that utilize Day 1 Certainty.</p>
FANNIE	FREDDIE	FHA	USDA	VA	PROPERTY / COLLATERAL
X	X	X	X	X	Borrower: Any borrower holding title only must be a legal U.S. Resident.
X	X	X	X	X	<p>Ineligible Properties:</p> <ul style="list-style-type: none"> • LHFS does not offer financing to properties that are secured by community land trusts (i.e., Illinois Land Trust). • Co-ops are not permitted. • Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, Guardianships, Conservatorships, LLC's, Corporations, or Partnerships are not eligible.
X	X	X	X	X	<p>Property Location: Unincorporated territories of the United States (borrowers and properties) are ineligible for financing.</p> <ul style="list-style-type: none"> • Puerto Rico • US Virgin Islands • Guam • American Samoa • Swains Island
X	X	X	X	X	Property Type: Manufactured Homes – Leasehold Estate ineligible
X	X				Transferred Appraisals: Not eligible on high balance, super conforming, and any type of conventional ARM transactions.



FANNIE	FREDDIE	FHA	USDA	VA	OTHER CONSIDERATIONS AND PROGRAM SPECIFICS
		X		X	AUS: AUS approvals when qualifying ratios > 50% required compensating factors, and VA qualifying ratios may not exceed 55%
X	X	X	X	X	Borrower: LHFS does not lend to borrowers that are not legal residents including, but not limited to the following borrowers: <ul style="list-style-type: none"> • Diplomatic Immunity/Embassy Personnel, • Borrowers with deferred action status, which includes DACA, • Foreign Nationals, • Borrowers with Temporary Protected Status (TPS), and • Borrowers with an invalid Social Security Number
X	X	X	X	X	Borrower: No more than 4 borrowers, including accommodation mortgagors (system limitations).
X	X	X	X	X	Borrower: Split vesting is not allowed. Vesting must be 100% in a trust or 100% individual. (May be allowed on conforming conventional loans on an exception basis). Unacceptable examples include but are not limited to: <ul style="list-style-type: none"> • John Doe, as Trustee of the Jane Doe Living Trust and John Smith and Jane Smith, as Husband and Wife as Joint Tenants • John Doe, as Trustee of the Jane Doe Living Trust and John Smith, as Trustee of the Jane Smith Living Trust
X	X	X	X	X	Credit Documentation Age: Credit report must be dated within 90 days at time of submission when broker's credit report is used. Please be aware LHFSW runs UDM prior to closing which may require additional information or affect borrower's loan approval if additional credit is obtained or late payments are reported. All other loan documentation should not be over 90 days old at time of submission. Title report may not be over 90 days old at the time loan docs are prepared.
X	X	X	X	X	Financing Options: Temporary Buy down loans not permitted.
				X	Manual Underwrites: Manual underwrite not allowed on VA Cash-Out, High Balance, and ARM's
X					Manual Underwrites: Must follow and be underwritten to Fannie Mae guidelines only. Note: Only delivering "manual underwrites" to Fannie Mae, not Freddie Mac using traditional credit only. No manual underwrites on any type of ARM loans.
X	X				Mortgage Insurance (MI): Minimum, reduced, or custom insurance is not permitted. Must obtain Standard MI coverage.
X	X	X	X	X	Photo ID: Unexpired government issued ID's are required for each Borrower.
X	X	X	X	X	Power of Attorney (POA's): Not eligible on Cash-Out transactions.
		X			Program Specifics: FHA Non-Credit Qualifying and Credit Qualifying Streamline: When using reduction in term as the sole basis for Net Tangible Benefit (NTB) on streamlines, any reduction in term under 60 months (5 years) is considered on a case-by-case basis only.
X	X	X		X	Rent Back: Maximum days allowed for seller rent back 60 days.
X	X	X	X	X	Social Security Number Validation/Transcripts: A third party validation required for all Borrowers (must be processed by LHFS only).
X	X	X	X	X	Special Programs: Home Energy Renovation Opportunity (HERO) subordination not permitted

