

Subject: Government Program Restrictions
FHA and VA

Bulletin Date: March 31, 2020

Government Program Restrictions

In an effort to guard against extraordinary market fluctuation, loanDepot has imposed credit restrictions on the following government programs:

Effective for new submissions, that have not been pre-locked, dated on or after March 31, 2020.

Existing Pipeline

Existing floating or locked pipeline in submitted status or later, will not be impacted and will continue to follow previous guidelines.

Note: Existing pipeline may be subject to further guideline changes based on market conditions.

Veterans Administration (VA)

VA Interest Rate Reduction Loans (IRRRLs)

- **loanDepot to loanDepot Refinance**
 - No additional restrictions
- **Non-loanDepot to loanDepot Refinance**
 - 680 Minimum FICO
 - 80% LTV
 - AVM (HVE) Required

VA Purchase & Type I Cash-out Refinances

The following restrictions apply to all VA Purchase & Type I Cash-out Refinance programs

- **100% LTV**
 - 680 FICO – Minimum
 - 50% Debt-to-Income Ratio - *AUS Approval required*
- **90% LTV - AUS Approval**

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- 620 FICO - Minimum
 - 50% Debt-to-Income Ratio - *AUS Approval required*
 - **90% LTV - Manual Underwriting**
 - 680 FICO – Minimum
 - 41% Debt-to-Income Ratio
 - Compensating factors are not allowed to offset FICO or DTI Restrictions

VA Type II Cash-out Refinance

The following restrictions apply to all VA Type II Cash-out Refinance programs

- **90% LTV**
 - 660 FICO – Minimum
 - 45% Debt-to-Income Ratio- *AUS Approval required*
- **Ineligible for Manual Underwriting**

VA High LTV Cash-out Refinance

The VA High LTV Cash-out Refinance program has been suspended until further notice.

Federal Housing Administration (FHA)¹

FHA Streamline Refinance

- **loanDepot to loanDepot Refinance**
 - No additional restrictions
- **Non-loanDepot to loanDepot Refinance**
 - 680 Minimum FICO
 - 90% LTV
 - AVM (HVE) Required

FHA Purchase and Rate & Term Refinances

The following restrictions apply to all FHA Purchase and Rate & Term Refinance programs

- **620 FICO – Minimum**
 - 50% Debt-to-Income Ratio- *AUS Approval required*
- **640 FICO – Minimum – When Gift funds are present**
 - 45% Debt-to-Income Ratio- *AUS Approval required*
- **680 FICO – Minimum – Manual Underwriting**
 - 43% Debt-to-Income Ratio
 - Compensating factors are not allowed to offset FICO or DTI Restrictions

FHA Cash-out Refinance

The following restrictions apply to all FHA Cash-out Refinance programs

- **80% LTV**
 - 660 FICO – Minimum
 - 45% Debt-to-Income Ratio - *AUS Approval required*
 - **Ineligible for Manual Underwriting**
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¹These restrictions apply to FHA 203(k) and 203(h) if applicable.

AVM Process

Details and guidance related to the AVM process for IRRRLs and Streamline Refinances will follow shortly.
