

AGENCY

This chart provides a quick overview of overlays for loanDepot and is a summary of loanDepot overlays to agency guidelines.

Overlay	FANNIE MAE	FREDDIE MAC	FHA	FHA STREAMLINE	VA FULL DOC	VA IRRRL
Credit/AUS						
Tri-Merge credit report required. A valid social security number is required. Tax ID # (ITINs) are not allowed	X	X	X		X	
Mortgage only credit report. A valid social security number is required. Tax ID # (ITINs) are not allowed				X		X
loanDepot utilizes Undisclosed Debt Monitoring (UDM) to identify credit activity that may have occurred between application and Docs Out	X	X				
Ginnie Mae Seasoning Requirements see details below			X	X	X	X
AUS approval required - manual underwriting not acceptable	X	X				
Mortgage payment history: Loan must be current at the time of funding.					X	
Loans must be current prior to closing.						X
Existing VA loan must not be 30 days or more past due at the time of application.						X
Non-traditional credit not allowed	X	X	X	X	X	X
CARES Act Forbearance: Non-loanDepot to loanDepot IRRRL When the loan being refinanced is currently in, or has exited a CARES Act forbearance: <ul style="list-style-type: none"> • And the Veteran continued to make full consecutive payments within the month(s) due: Eligible for an IRRRL <ul style="list-style-type: none"> o Follow standard program requirements in YODA for a non-loanDepot to loanDepot transaction • Within the past 6 months: Ineligible for an IRRRL <ul style="list-style-type: none"> o The loan must be underwritten as full doc transaction • Between 6-12 months: Eligible for an IRRRL <ul style="list-style-type: none"> o Document completion of forbearance o The loan cannot have been 30 days or more past due since exiting forbearance o The loan must be current prior to closing o Full Appraisal required • Greater than 12 months: Eligible for an IRRRL <ul style="list-style-type: none"> o Follow standard program requirements in YODA for a non- loanDepot to loanDepot transaction 						X
Mortgage payment history must be 0x30 in the last 12 months					X	
FICO						
Minimum FICO Score Requirements: <ul style="list-style-type: none"> • FHA Fixed/ARM (203b) - 620 • FHA 203k - 680 See specific loan product matrices for additional restrictions			X			

Overlay	FANNIE MAE	FREDDIE MAC	FHA	FHA STREAMLINE	VA FULL DOC	VA IRRRL
Minimum FICO Score Requirements: <ul style="list-style-type: none"> VA Fixed/ARM - 620 VA High LTV Cash-Out Fixed - 660 See specific loan product matrices for additional restrictions					X	
Minimum FICO Score Requirements: <ul style="list-style-type: none"> 580 620 (Non-loanDepot to loanDepot) See specific loan product matrices for additional restrictions				X		X
At least one borrower must have a valid credit score or the transaction is ineligible	X	X				
INCOME/RATIOS						
Tax transcripts are required when tax returns used to validate income for the following: <ul style="list-style-type: none"> handwritten amended within 30 days prior to the application date income source is from a family owned business, or requested at the discretion of the Underwriting Manager or their proxy 	X	X	X		X	
Certification of employment (Verbal Verification of employment) is required for salaried borrowers only. (Not applicable for LD to LD refinance)				X		X
Employment Verification: <ul style="list-style-type: none"> Salaried Borrower: Verbal VOE must be obtained no more than 10 calendar days prior to loan closing. Self-Employed Borrower: Verify the existence of the borrower's business within 30 calendar days prior to the note date. 					X	
PROPERTY/APPRaisal						
Super Max Loan Amount – 1 unit only See specific loan product matrices for additional restrictions					X	X
Recorded Tenants in Common (TIC) agreements are ineligible	X	X	X	X	X	X
Texas 50(a)(6) loans not allowed			X	X	X	X
A full exterior/interior appraisal is required as follows: <ul style="list-style-type: none"> Loan amounts > \$1,000,000, and/or Occupancy is a second home or investment property and loan amount exceeds Conforming limits, and/or VA CARES Act forbearance (in or exiting) with a 6 to 12 months timeframe for non-LD to LD transactions. Loan amounts ≤ \$1,000,000 –exterior-only appraisal 						X
Note: AVM/BPO is acceptable for LD to LD transactions, except on Fixed to ARM refinances and VA CARES Act forbearance (6 – 12 months).						
Subject property currently listed for sale is ineligible: <ul style="list-style-type: none"> The property must be taken off the market at least one day prior to application 					X	X
A power of attorney may not be used to facilitate a closing via a recorded, interactive session conducted via the internet. Power of attorney is not allowed for a Texas 50(a)(6) transaction	X	X	X	X	X	X

Overlay	FANNIE MAE	FREDDIE MAC	FHA	FHA STREAMLINE	VA FULL DOC	VA IRRRL
Loans for properties with property-assessed clean energy (PACE) financing are not eligible if the pace loan is not paid in full prior to, or at closing	X	X				
Properties that were listed for sale must have been taken off the market on, or before, the disbursement date of the new mortgage loan (refinances only)	X	X				
Agricultural properties are ineligible					X	X
Sweat Equity is not eligible	X	X	X			
Institutional trustees and land trusts are not permitted. Trustee signatures may not be obtained via power of attorney	X	X	X	X	X	X
Property types not allowed <ul style="list-style-type: none"> • Deed restricted properties except for age restricted properties • Group homes, earth, hay bale and dome homes • Hawaiian Homelands • Manufactured Housing • Properties in litigation due to construction defects, refer to Agency guidelines for other types of litigation • Properties located in Guam, Puerto Rico and the U.S. Virgin Islands • Soft story buildings that have not been retrofitted 	X	X	X	X	X	X
Lender's Title Policy is required for all transactions	X	X	X	X	X	X
Non-Arm's Length/At Interest Transactions: <ul style="list-style-type: none"> • If borrower receives mortgage differential income, the employer must not be an interested party to the transaction • A non-occupant co-borrower cannot be an interested party to the transaction (other than non-occupant) 	X	X	X		X	
Properties in Lava Zones 1 and 2 are not permitted		X				
MISCELLANEOUS						
Net Tangible Benefit Requirements	X	X	X	X	X	X
Primary Residence, Super Max loan amount is limited to 115% LTV for one-unit properties; 2nd Home/NOO for High Balance/Super Max is limited to 90% LTV						X
Ginnie Mae overlay: <ul style="list-style-type: none"> • VA Fixed/ARM Type II Cash-Out refinance maximum 90% LTV. 					X	
Minimum Loan Amount requirements see product matrices			X	X	X	X
Non-abbreviated 1003 required				X		X
Restrictions apply for renegotiated purchase agreements that increase the sales price after the original appraisal has been completed	X	X	X		X	
The Credit Alert Interactive Voice Response System (CAIVRS) must be reviewed for all FHA Streamline and USDA-Assist transactions				X		
Closing Protection Letter is required for all transactions	X	X	X	X	X	X
Texas 50 (a)(6) Delayed Financing not allowed	X	X				
Texas 50(a)(4) – is not available	X	X				
Fannie Mae programs not eligible for origination <ul style="list-style-type: none"> • MH Advantage • High LTV Refinance • Student Loan Cash-Out Refinance with reduced LLPA • HomeStyle Energy • HomeStyleRenovation – Texas refinance transactions are ineligible 	X					

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Freddie Mac programs not eligible for origination <ul style="list-style-type: none"> • CHOICERenovation • CHOICEHome • GreenCHOICE 		X				
FHA 203(h) and FHA 203(k) Standard programs are currently suspended			X			

Ginnie Mae Seasoning Requirements

Ginnie Mae Seasoning Overlay – Applies to all FHA, VA and USDA loans

VA All Cash Out Refinance, when paying off government or non-government mortgage:

- The date of the Note must be on or after the later of:
 - o The date on which the borrower has made 6 full monthly payments on the loan being refinanced, and;
 - o 210 days after the verified first payment due date (GNMA) or first payment made date whichever is later.

Note: Advance/ prepaid payments to meet the 6 scheduled payment requirement is not permitted.

- Exclusions to the above seasoning requirement. The following lien types may be excluded from the Ginnie Mae seasoning requirements:
 - o Non-mortgage debt such as a judgment or tax lien,
 - o Mortgages without scheduled monthly payments, such as a reverse mortgage.
 - o Construction loans with less than six (6) monthly payments required per the exiting construction Note.

VA IRRRL:

- The date of the Note must be on or after the later of:
 - o The date on which the borrower has made 6 consecutive full monthly payments on the loan being refinanced; and
 - o 210 days, or more, after the date of the first payment due date on the loan being refinanced.

Note: Advance/prepaid payments to meet the 6 scheduled payment requirement is not permitted.

FHA and USDA:

- Cash out Refinance:
 - o A minimum of six (6) consecutive monthly payments made on the loan being refinanced*; and
 - o First payment due date on the new loan occurs no earlier than 210 days after the first payment due date on the loan being refinanced.
- Streamlined Refinance:
 - o A minimum of six (6) consecutive monthly payments made on the loan being refinanced*; and
 - o First payment due date on the new loan occurs no earlier than 210 days after the first payment due date on the loan being refinanced.
- Rate / Term (No Cash Out)
 - o All fully underwritten rate/term refinance loans must meet the corresponding agency requirements.

***Note:** Cannot pre-pay to meet the 6 payments requirement.

HOUSING FINANCE AUTHORITIES/DPA/MCC

Overlay

Affordable Housing programs including Housing Finance Authority (HFA), bond, down payment assistance (DPA) and Mortgage Credit Certificate (MCC) programs are not permitted

RENOVATION

Overlay

Material draws cannot exceed 50% of the total material cost or \$50,000 whichever is less

Max 3 Specialized Contractors

Limited Renovation:

- Self-help option is available only for those projects that are limited to painting and/or appliance purchases
- Self-help requires use of a consultant with financed labor (minor work – case by case)

Standard 203K:

- Manufactured home eligible for Limited 203(k) only

Homestyle:

- Manufactured properties not allowed
- Identity of interest (case by case)
- 10% contingency required for every project