

# Gateway Mortgage Group Correspondent Overlay Matrix

Program guidelines for FNMA, FHA, VA, USDA, and HUD 184 are determined by the individual Agencies and are available on their respective websites; Agency guideline overlays are as follows:

Guideline	Product	Comment
Appraisal	Texas Equity	<ul style="list-style-type: none"> <li>URAR 1004 or 1073 (for condo) required, regardless of DU findings. See also <b>Natural Disasters</b> below.</li> </ul>
	All Products	<ul style="list-style-type: none"> <li>C5 &amp; C6 ratings are ineligible.</li> </ul>
CAIVRS	FHA, VA, USDA, HUD 184	<ul style="list-style-type: none"> <li>CAIVRS must be clear (not applicable on FHA streamline).</li> </ul>
Construction/Perm	All	<ul style="list-style-type: none"> <li>Construction/Perm single or one-time close loans which utilize a modification agreement or a construction loan rider are ineligible.</li> </ul>
Credit Reject	FHA	<ul style="list-style-type: none"> <li>Loans with a Credit Reject on FHA Connection not allowed.</li> </ul>
Credit Report	All	<ul style="list-style-type: none"> <li>All borrowers must have a valid Social Security number. No Exceptions.</li> </ul>
	FHA, VA, USDA, HUD 184.	<ul style="list-style-type: none"> <li>Non-borrowing spouses in community property states must be residing legally in the United States.</li> </ul>
Credit Score Requirement	Conventional	<ul style="list-style-type: none"> <li>≥640</li> <li>All borrowers must have a minimum of two credit scores</li> </ul>
	FHA	<ul style="list-style-type: none"> <li>≥620</li> <li>All borrowers must have minimum of two credit scores</li> </ul>
	VA	<ul style="list-style-type: none"> <li>≥620</li> <li>All borrowers must have minimum of two credit scores</li> <li>≥ 640 for Manual Underwrite</li> </ul>
	USDA	<ul style="list-style-type: none"> <li>≥620</li> <li>All borrowers must have minimum of two credit scores</li> </ul>
	HUD 184	<ul style="list-style-type: none"> <li>≥620</li> <li>All borrowers must have minimum of two credit scores</li> </ul>
Down Payment / Mortgage Payment Assistance	F HA/VA/184	<ul style="list-style-type: none"> <li>All assistance programs must be prior approved by Gateway and meet specific agency guidelines.</li> <li>Only Government entity (Federal, State, County, Tribal, etc.) approved programs will be considered.</li> <li>The originating Correspondent Lender is responsible for compliance with all assistance program guidelines, including any current or future reporting to the borrower, government or assistance agency.</li> <li>Seller funded, Bond, and Section 8 programs are not allowed.</li> </ul>
	Conventional/USDA	<ul style="list-style-type: none"> <li>Down Payment and Mortgage Payment Assistance Programs not allowed.</li> </ul>
DTI	Conventional	<ul style="list-style-type: none"> <li>Max of 50% for LP Accept/Accept or Per DU Approve/Eligible</li> </ul>
	FHA	<ul style="list-style-type: none"> <li>Per DU Approve/Eligible, or LP Accept/Accept max 55% DTI allowed.</li> </ul>
	VA	<ul style="list-style-type: none"> <li>Per DU Approve/Eligible, or LP Accept/Accept max 55% DTI allowed.</li> <li>Max 43% for Manual Underwrite.</li> </ul>
	HUD 184	<ul style="list-style-type: none"> <li>Max 43% DTI allowed. (applications taken on or after 1/1/2014)</li> </ul>
	USDA	<ul style="list-style-type: none"> <li>Per GUS Accept, max 45% DTI allowed. (applications taken on or after 1/1/2014)</li> <li>Max 44% for Manual Underwrite.</li> </ul>

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DU Refi Plus	Conventional	<ul style="list-style-type: none"> <li>DU may offer a property Fieldwork Waiver. If offered, DU must be rerun with the estimated value provided by DU.</li> <li>All Texas Equity properties require full Fannie Form 1004 regardless of DU finding.</li> </ul>												
Down Payment	Conventional	<ul style="list-style-type: none"> <li>Per Fannie Mae and specific MI company guidelines.</li> </ul>												
Eligible States	All	Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, <b>Kentucky</b> , Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, <b>Nevada</b> , New Jersey, New Mexico, North Carolina, <b>Ohio</b> , Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin, Wyoming. See also Location Restrictions below and the FHA Product Description for Section 184 geographic limitations.												
Escrow Waiver	Conventional	<ul style="list-style-type: none"> <li>Allowed on LTV 80% or less only.</li> <li><b>If the borrower elects partial or full escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required. If the borrower has waived all escrows and the subject property is in a special flood hazard zone requiring flood insurance, the borrower may also waive escrows for flood insurance. If the borrower elects partial or has waived all escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required.</b></li> </ul>												
Ineligible Products	Conventional	Freddie Mac LP Home Possible Advantage Mortgage and Freddie Mac Relief Refinance Mortgage.												
Ineligible Properties	All	Earth, Leasehold, Tribal Land, Cooperatives, Mobile Homes, Metal Buildings, Geodesic Domes, Manufactured Homes, Properties with less than 600 square feet, Condotel, Timeshares, Group Homes, Unimproved Land, Working Farms and Ranches, Property currently in litigation, Properties with encroachments, Properties located in a Lava Zone, Properties held in a business name, Properties with resale deed restrictions, Zoning violations (including residential properties zoned commercial), Commercial Enterprises (i.e. Bed and Breakfast, Boarding House, Hotel), Illinois Land Trusts. Log Cabins considered on Purchase and Rate/Term transactions only and maximum 85% LTV/CLTV, supported by satisfactory like comps.												
	USDA	<ul style="list-style-type: none"> <li><b>2-4 Units not allowed for Manual Underwrite</b></li> </ul>												
Investment Property / Second Home	All	<ul style="list-style-type: none"> <li>Borrower(s) may only own a total of 4 financed properties.</li> <li>Borrower(s) with more than 4 financed properties are not eligible.</li> <li>All financed properties held individually or jointly, or in an LLC or partnership must be counted in the borrower(s) total number of properties, regardless of the borrowers ownership percentage in the LLC or partnership, and regardless who is obligated on the financing.</li> <li>When the borrower does not own a primary residence, any investment property loan must qualify with full PITI payment.</li> <li>No Rental Income considered for any lease executed with a family member or interested party to the transaction. See also Non-Arm's Length and Primary Residence Conversion</li> </ul>												
Loan Amount	HUD 184	<ul style="list-style-type: none"> <li>Lesser of \$417,000 or applicable county or agency limit.</li> </ul>												
Location Restrictions	All	<ul style="list-style-type: none"> <li>See also the FHA Product Description for 184 restrictions</li> </ul>												
LTV / CLTV Overlay	Conventional – DU Refi Plus	<ul style="list-style-type: none"> <li>Original LTV &gt; 80% and MI still in force – Current MI certificate must be transferred from one of the Gateway-approved MI companies. Copy of transferred MI certificate required prior to loan purchase. MI coverage from any other provider unacceptable.</li> <li>DU may offer a property Fieldwork Waiver. If offered, DU must be rerun with the estimated value provided by DU.</li> <li>All Texas Equity properties require full Fannie Form 1004 regardless of DU finding.</li> </ul> <table border="1"> <thead> <tr> <th>Occupancy</th> <th>Units</th> <th>LTV/CLTV</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>1-4</td> <td>150%</td> </tr> <tr> <td>2<sup>nd</sup> Home</td> <td>1</td> <td>150%</td> </tr> <tr> <td>Investment</td> <td>1-4</td> <td>150%</td> </tr> </tbody> </table>	Occupancy	Units	LTV/CLTV	Primary	1-4	150%	2 <sup>nd</sup> Home	1	150%	Investment	1-4	150%
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Guideline	Product	Comment
Mortgage Insurance	Conventional	<ul style="list-style-type: none"> <li>■ Approved MI companies: Arch/CMG Mortgage Insurance Co., Essent Guaranty, Genworth, MGIC, National MI, United Guaranty, and Radian.</li> <li>■ Minimum or Reduced MI requiring a loan level price adjustment is not eligible, regardless of DU findings.</li> <li>■ See Product Descriptions for those products eligible for LPMI.</li> </ul>
Multiple Properties	All	<ul style="list-style-type: none"> <li>■ Maximum 4 properties per borrower/household serviced by Gateway Mortgage Group, LLC.</li> </ul>
Natural Disasters	All	<ul style="list-style-type: none"> <li>■ Client must represent and warrant the existence and condition of the subject property at time of purchase.</li> <li>■ Clients may call FEMA, (202) 646-4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>■ Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> <li>■ Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.</li> </ul>
Non-Arm's Length and Conflict of Interest	All	<ul style="list-style-type: none"> <li>■ Non-arms-length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>■ Non-arms-length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>■ Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>■ Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>
Conversion of Primary Residence	All	<ul style="list-style-type: none"> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>
Principal Curtailments at Closing	All	<ul style="list-style-type: none"> <li>■ Allowed on "No Cash-out" or "Limited Cash-Out" refinances in the event funds being received by the borrower exceed the maximum allowable amount permitted (excluding Texas Home Equity Refinances).</li> <li>■ May not exceed lesser of 2% of loan amount or \$500 (\$250 max on DU Refi Plus)</li> <li>■ Must be clearly reflected as a Principal Curtailment on the HUD-1.</li> <li>■ May be in addition to allowable cash-back to the borrower.</li> </ul>
Streamline Refinance	FHA/VA/USDA/184	<ul style="list-style-type: none"> <li>■ FHA/VA/USDA/184: Streamline refinances (qualifying and non-qualifying) must meet 620 minimum FICO.</li> <li>■ 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months.</li> <li>■ Minimum documentation required:                             <ul style="list-style-type: none"> <li>» single line tri-merge credit report</li> <li>» verification of sufficient assets to close if necessary</li> </ul> </li> <li>■ Second homes and investment properties are not eligible for streamline refinance.</li> <li>■ USDA streamline only considered if current loan being refinanced is USDA.</li> </ul>

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Reserves	VA	<ul style="list-style-type: none"> <li>Manual Underwrite: 2 months PITI</li> </ul>
Temporary Buydowns	All	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
Non-Standard Products	TPO	This matrix does not contain all overlays for non-standard products such as TPO. If approved for the product, refer to your Correspondent Client Purchase and Sale Addendum contract addendum for the applicable non-standard product overlays.
Underwriting	Conventional	<ul style="list-style-type: none"> <li>Fannie Mae DU with Approve/Eligible or Freddie Mac LP with Accept/Accept</li> <li>LP Accept is allowable provided that loans delivered using "LP" AUS findings did not receive "DU Refer" or "DU Ineligible" findings through Fannie Mae's Desktop Underwriter AUS ("DU").</li> <li>DU Approve is acceptable provided that loans delivered using "DU" AUS findings did not receive "LP Caution" or "LP Ineligible" findings through Freddie Mac's Loan Prospector AUS ("LP").</li> <li>Manual Underwrite not accepted</li> </ul>
	USDA	<ul style="list-style-type: none"> <li>GUS Accept required</li> <li>Manual Underwrite not accepted</li> <li>Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, USDA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by USDA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.</li> <li>Manual Underwrite overlays: 44% maximum DTI, 2-4 units not allowed.</li> </ul>
	184	<ul style="list-style-type: none"> <li>Manual Underwrite if Direct Guarantee correspondent or ONAP prior approval required.</li> </ul>
	FHA	<ul style="list-style-type: none"> <li>FNMA DU with Approve/Eligible finding accepted. Alternatively, Freddie Mac LP Accept allowed, provided that loans delivered using "LP" AUS findings did not receive "DU Refer" or "DU Ineligible" findings through Fannie Mae's Desktop Underwriter AUS ("DU"). DU Approve/Eligible or LP Accept/Accept through FHA TOTAL Scorecard accepted (except FHA Streamline Refinance)</li> <li>Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, FHA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by FHA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.</li> </ul>
	VA	<ul style="list-style-type: none"> <li>FNMA DU with Approve/Eligible finding accepted. Alternatively, Freddie Mac LP Accept allowed, provided that loans delivered using "LP" AUS findings did not receive "DU Refer" or "DU Ineligible" findings through Fannie Mae's Desktop Underwriter AUS ("DU"). DU Approve/Eligible or LP Accept/Accept are accepted.</li> <li>VA prior approval for Joint loans involving (i) a veteran and non-veterans who is not the veteran's spouse or (ii) involving two or more veterans who intend to use their entitlement and take title jointly.</li> <li>Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, VA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by VA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.</li> <li>Manual Underwrite overlays: ≥640 credit score, 43% maximum DTI, and 2 months PITI in reserves.</li> </ul>