GATEWAY MORTGAGE GROUP, LLC

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	• URAR 1004 or 1073 (for condo) required, regardless of DU findings. See also **Natural Disasters** below.
AUS	Conventional/FHA/VA	• Fannie Mae DU with Approve/Eligible finding required (Freddie LP and Manual Underwrite not accepted)
	USDA	• GUS Accept required. (Manual Underwrite not accepted).
	184	• Manual Underwrite if Direct Guarantee correspondent or ONAP prior approval required.
CAIVRS	FHA, VA, USDA, HUD 184	• CAIVRS must be clear (not applicable on FHA streamline).
Construction/Perm	All	• Construction/Perm single or one-time close loans which utilize a modification agreement or a construction loan rider are ineligible.
Credit Reject	FHA	• Loans with a Credit Reject on FHA Connection not allowed.
Credit Report	All	• All borrowers must have a valid Social Security number. No Exceptions.
	FHA, VA, USDA, HUD 184	• Non-borrowing spouses in community property states must be residing legally in the United States.
Credit Score Requirement	**Conventional/USDA**	• ≥640 • All borrowers must have a minimum of two credit scores
	FHA/VA/184 Only	• ≥620 ○ All borrowers must have minimum of two credit scores
Down Payment **/ Mortgage Payment** Assistance	FHA/VA/184	• **All assistance programs must be prior approved by Gateway and meet specific agency guidelines.** • **Only Government entity (Federal, State, County, Tribal, etc.) approved programs will be considered.** • **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.** • **Seller funded, Bond, and Section 8 programs are not allowed.**
	Conventional/USDA	• **Down Payment and Mortgage Payment Assistance Programs not allowed.**
DTI	Conventional	• Per DU Approve/Eligible
	FHA, VA	• **Per DU Approve/Eligible,** max 50% DTI allowed.
	HUD 184	• **Max 43% DTI allowed. (applications taken on or after 1/1/2014)**
	USDA	• **Per GUS Accept, max 45% DTI allowed. (applications taken on or after 1/1/2014)**
DU Refi Plus	**Conventional**	• **DU may offer a property Fieldwork Waiver. If offered, DU must be rerun with the estimated value provided by DU.** • **All Texas Equity properties require full Fannie Form 1004 regardless of DU finding.**
Down Payment	**Conventional**	• **Per Fannie Mae and specific MI company guidelines.**
Eligible States	All	• Alabama, Arizona, Arkansas, Colorado, Florida, Indiana, Iowa, Kansas, Louisiana, Maryland, Mississippi, Missouri, Nebraska, **Nevada**, **New Jersey**, New Mexico, Oklahoma, **Pennsylvania,** South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming. See also **Location Restrictions** below and the **FHA Product Description for Section 184 geographic limitations**.
Escrow Waiver	Conventional	• Allowed on LTV 80% or less only. • 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.
HUD 184		• Purchase transactions on Fee Simple property only. No refinances, leasehold, or tribal properties.

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Ineligible Properties	All	• Earth, Leasehold, Tribal Land, Cooperatives, Mobile Homes, Metal Buildings, Geodesic Domes, Manufactured Homes, Properties with less than 600 square feet, Florida Condominiums, Condotel, Timeshares, Group Homes, High Rise Condos, 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) **Log Cabins considered on Purchase and Rate/Term transactions only, ~~maximum 80% LTV/CLTV~~ maximum 85% LTV/CLTV, supported by satisfactory like comps.**
Investment Property / **Second Home**	All	• **Borrower(s) may only own a total of 4 financed properties.** • **Borrower(s) with more than 4 financed properties are not eligible.** • **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.** • When the borrower does not own a primary residence, any investment property loan must qualify with full PITI payment. • 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**.
Loan Amount	Conventional	• High Balance Conforming loans are not eligible.
	FHA, USDA, HUD 184	• Lesser of $417,000 or applicable county or agency limit.
	VA	• Maximum $417,000.
Location Restrictions	All	• Loans in Martin, Palm Beach, Broward, Miami-Dade, and Monroe counties in Florida are not eligible. • See also the **FHA Product Description for 184 restrictions.**
LTV / CLTV Overlay	Conventional – Investment 1-unit	**Purchase** ~~80%/80%~~ 85%/85%
	Conventional – DU Refi Plus	• **Original LTV > 80% and MI still in force – Current MI certificate must be transferred from one of the Gateway-approved MI. Copy of transferred MI certificate required prior to loan purchase. MI coverage from any other provider unacceptable.** • **DU may offer a property Fieldwork Waiver. If offered, DU must be rerun with the estimated value provided by DU.** • **All Texas Equity properties require full Fannie Form 1004 regardless of DU finding.** **Occupancy / Units / LTV/CLTV** Primary / 1-4 / 150% 2nd Home / 1 / 150% Investment / 1-4 / 150%
	VA	VA Cash-out transactions limited to 95% LTV. VA IRRRL limited to 100% LTV based on current 2055 or 1004
Mortgage Insurance	Conventional	• Approved MI companies: **Arch/**CMG Mortgage Insurance Co., Essent Guaranty, Genworth, MGIC, National MI, United Guaranty, and Radian. • Minimum or Reduced MI requiring a loan level price adjustment is not eligible, regardless of DU findings. • See **Product Descriptions** for those products eligible for LPMI .
Multiple Properties	All	• Maximum 4 properties per borrower/household serviced by Gateway Mortgage Group, LLC.
Natural Disasters	All	• Client must represent and warrant the existence and condition of the subject property at time of purchase. • Clients may call FEMA, (202) 646-4600, to obtain a current list of disaster areas or visit the FEMA website at http://www.fema.gov/news/disasters.fema. • Depending on the nature and timing of the disaster, a *Property Condition Certification* may be required. • Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.

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Guideline	Product	Comment
Non-Arm's Length **and Conflict of Interest**	All	• 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. • Non-arms-length transactions require full documentation including 2 years federal tax returns and Fannie 1004. • Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer. • Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.
Conversion of Primary Residence	All	• No AVM or BPO allowed for determining value of primary residence being converted to second home or rental. 2055 is the minimum required. • No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.
Principal Curtailments at Closing	All	• 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**). • May not exceed **lesser of 2% of loan amount or** $500 ($250 max on DU Refi Plus) • Must be clearly reflected as a Principal Curtailment on the HUD-1. • May be in addition to allowable cash-back to the borrower.

Streamline Refinance	FHA/VA/USDA/184	• FHA/VA/184: Streamline refinances (qualifying and non-qualifying) must meet **620** minimum FICO.
		• USDA: Streamline refinances (qualifying and non-qualifying) must meet **640** minimum FICO.
		• 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months.
		• Minimum documentation required:
		  • single line tri-merge credit report,
		  • verification of sufficient assets to close if necessary,
		  • and one of the following for income:
		  ○ Salaried -
		  • most recent paystub
		  • written VOE
		  • employment and income completed on 1003
		  ○ Self-employed -
		  • Processed 4506
		  • employment and income completed on 1003
		• Second homes and investment properties are not eligible for streamline refinance.
		• USDA streamline only considered if current loan being refinanced is USDA.
		• In addition to all the above, VA IRRRL's require FNMA 2055 appraisal supporting value.

Temporary Buydowns	All	• Not allowed.
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.***

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