



CHF Credit and Policy Overlays

Conventional FNMA

Texas 50 (a)(6)	Not allowed
Cash-out on investment	Not allowed
Non-Arms Length transactions	Allowed on primary residences only
Loans closed in the name of a trust	Not allowed
Properties recently listed for sale	Must be removed from market a minimum of 6 months
Properties with deed restrictions	Not allowed
Condos in litigation	Not allowed
Temporary buydowns	Not allowed
FNMA Flex 97%	Not offered
LDP/GSA verification	Required on all conventional loans
Inquiries within last 90 days	Must be addressed regardless of DU
Gift funds	Not allowed on investment transactions
Reserves	Primary: Per DU
	2nd home: 2 months
	NOO: 6 months
Ratios	45% max-exceptions rare
Full appraisal	Required on all cash-out transactions regardless of DU
Appraisal update	Required if Note date exceeds 45 days of closing
Mortgage Insurance	Standard MI is required regardless of DU

FHA/VA Overlays

DU Refer/Eligible	Allowed with a manual downgrade
No Scores	Not allowed
1 score	Acceptable
FICO	640 FHA
	620 VA
	640 IRRRL's
	620 Texas Vet Loans
Loans closed in the name of a trust	Not allowed
Non-Traditional Credit History	Not allowed
Minimum trade lines	Typically requires 3 open trade lines with 12 months seasoning- exceptions can be made
FHA Property Flip Waiver	Increase in sales price over previous sale may not be = to or greater than 20%
Outstanding collections	Does not need to be satisfied
Judgments and Tax Liens	Must be paid in full before closing except on FHA streamlines and VA IRRRL's
Max DTI	Accepts the AUS findings-price adjustments may apply