

| Topic | Policy Overlay | FHA | VA |
|-------------------------------------|---|-----|----|
| 4506C | A fully executed IRS Form 4506C must be included in all loan files. Transcripts are required for the following income types: Self-employed; rental income documented on Schedule E; employed by family; and fixed income types such as disability, Social Security, retirement, child support, alimony income documented with tax returns in lieu of alternative documentation such as bank statements. | X | X |
| Assets | Sweat equity is not allowed. | X | X |
| Buydowns | Not permitted. | X | X |
| Debt to Income | Debt-to-income ratio cannot equal or exceeds 55% back-end ratio. | X | X |
| Credit Reports | FHA Streamline refinance or VA IRRRL must have acceptable mortgage rating and must pull credit from 3 different bureaus and the middle score will be used. | X | X |
| Credi Score Minimum | FHA – 600 VA - 620 | X | X |
| Escrows | Escrow Waivers are not permitted. | X | X |
| Fee Limitations | Maximum real estate commission limited to 8% of the sales price. | X | X |
| Max Loan Amount | \$1,000,000 on VA loans | | X |
| Ineligible Programs | Title I Loans | X | |
| | 203k | X | |
| | Home Equity Conversion Mortgages (Reverse Mortgages) | X | |
| | Section 247 - Hawaiian Homelands | X | |
| | Section 248 - Indian Reservations | X | |
| | Section 184 - Indian Home Loan Guarantee Program | X | |
| | Section 223(e) - Declining Neighborhoods | X | |
| | FHA Negative Equity Refinance (ADP Codes 821, 822, 831, 832) | X | |
| | Energy Efficient Mortgages | X | X |
| | Mortgage Credit Certificates (MCC) | X | X |
| | New York Consolidation, Extension and Modification Agreements (CEMA) | X | X |
| Multiple Loans to the Same Borrower | Maximum of 5 loans per borrower or an aggregate loan amount total of \$4,000,000 per borrower regardless of occupancy. | X | X |
| Trust | Closing in the Name of a Trust is not permitted. | X | X |
| PACE Loans | Not permitted. (Note: HERO loans are issued under the PACE financing program.) | X | X |
| Property | Co-operatives are ineligible. | X | X |
| | 3-4 unit properties are ineligible for cash-out refinances if one or more of the borrowers doesnot have credit scores. | X | X |
| | Investment properties under the HUD REO program are ineligible. | X | |
| | Condominium projects must be FHA-approved and listed in the HUD database https://entp.hud.gov/idapp/html/condlook.cfm | X | X |
| | Condominium projects must be VA-approved and listed in the following database https://lgy.va.gov/lgyhub/condo-report | | |
| | Condominiums without HOAs are ineligible. | | X |
| Refinance Cash-Out | Maximum cash-in-hand - \$300,000. | X | X |