

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