



Bulletin 17-16

Removal of Overlays on the FHA and VA Credit Qualifying Programs

HomeBridge is pleased to announce the elimination of a number of the overlays applied to credit qualifying FHA and VA transactions. These improvements may be applied to loans currently in the pipeline and new submissions.

FHA and VA Programs Credit Score 620-639

- The maximum DTI of 45% for properties located in certain states has been removed
- The maximum DTI of 50% for borrowers with a credit score of 620-639 and not in certain states has also been removed
- The DTI for all borrowers with a credit score of 620 and higher, regardless of property location, is now per DU with "Approve/Eligible" Findings

FHA and VA Programs Credit Score 600-619

The requirement for a minimum 12 months documented housing history with no lates for both purchase and refinance transactions has been removed.

FHA Program Credit Score 580-599

FHA purchase and rate/term or Simple refinance transactions are now eligible for the maximum LTV/CLTV allowed by FHA (currently limited to 90% LTV/CLTV). Purchase transactions are eligible for 96.50% LTV/N/A CLTV and rate/term and Simple refinance transactions are eligible for 97.75% LTV/CLTV when:

- The borrower has a credit score of 580-599, **and**
- An "Approve/Eligible" Finding is received from DU

NOTE: Manually underwritten loans are **not** eligible; maximum 90% LTV/CLTV continues to apply

VA Program Credit Score 580-599

VA purchase and cash-out refinance transactions are now eligible for the maximum LTV/CLTV allowed by VA (currently limited to 90% LTV/CLTV). Purchase transactions are eligible for 100% LTV/CLTV and cash-out refinance transactions are eligible for 100% LTV/115% CLTV when:

- The borrower has a credit score of 580-599, **and**
- An "Approve/Eligible" Finding is received from DU

NOTE: Manually underwritten loans are **not** eligible; maximum 90% LTV/CLTV continues to apply

The FHA and VA program guidelines will be updated with this information and posted on the HomeBridge website at www.HomeBridgeWholesale.com.

If you have any questions, please contact your Account Executive.