

## **FSB FHA 580-600 Overlays:**

- AUS approval Required. No manual underwriting allowed.
- Housing history reflecting 0 lates in most recent 12 months.
- 1 month cash reserves for all loans with 100% payment shock.
- 1 month cash reserves for all loans utilizing a Gift or Grant for down payment.

## **No Score Overlays**

- Manual Underwriting guidelines must be met
- AUS Approve/Eligible or Refer/Eligible are acceptable
- VOR or Rent-free letter covering the last 12 months.
- Housing history reflecting 0 lates in most recent 12 months
- 1 month cash reserves for all loans with 100% payment shock
- 1 month cash reserves for all loans utilizing a gift or grant for down payment
- Sufficient alternate credit must be developed and verified through official credit supplement to meet the HUD guidelines.
- HUD Requires: Sufficiency of Credit References To be sufficient to establish the Borrower's credit, the credit history must include three credit references, including at least one of the following
- rental housing payments (subject to independent verification if the Borrower is a renter);
- telephone service; or utility company reference (if not included in the rental housing payment), including: gas; electricity; water; television service; or internet service. (Television service cannot be subscription based Netflix, hulu, etc)
- If the Mortgagee cannot obtain all three credit references from the list above, the Mortgagee may use the following sources of unreported recurring debt:
  - insurance premiums not payroll deducted (for example, medical, auto, life, renter's insurance);
  - payment to child care providers made to businesses that provide such services;
  - school tuition;
  - retail store credit cards (for example, from department, furniture, appliance stores, or specialty stores);
  - rent-to-own (for example, furniture, appliances);
  - payment of that part of medical bills not covered by insurance;
  - a documented 12-month history of savings evidenced by regular deposits resulting in an increased balance to the account that: o were made at least quarterly; o were not payroll deducted, and; o caused no Insufficient Funds (NSF) checks;
  - an automobile lease;
  - a personal loan from an individual with repayment terms in writing and supported by canceled checks to document the payments; or
  - a documented 12-month history of payment by the Borrower on an account for which the Borrower is an authorized user.