



first community mortgage



FCM NMLS ID 629700

a MORTGAGE

Boutique
a division of First Community Mortgage



Overlays/Ineligibilities

3.2024



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CONVENTIONAL OVERLAYS

The following overlays apply to standard conventional loans only

Business Assets

If using business assets from a company where income is being used qualify; In order to determine the effect on the business, business tax returns should be reviewed, and a cash flow analysis should be developed using the following documentation:

- P&L and Balance Sheet
- Underwriter reserves the right to increase bank statements in additional to what is required by AUS

Citizenship

- A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.

Future Income to Qualify

We do not allow future income to qualify where the borrower will not start prior to closing unless the following is met:

- The lender must obtain an executed copy of the borrower's offer letter or contract for future employment and anticipated income
- A paystub is required within 30 days of closing and prior to delivery to the agency. The paystub must include sufficient information to support the income used to qualify the borrower based off the offer or contract
- Not a Housing/Bond product
- Loan lock must be good through date paystubs are received
- **The contract or offer must have the following:**
 - Clearly identify the employer and the borrower, be signed by the employer, and be accepted and signed by the borrower; and
 - Clearly identify the terms of the employment, including position, type and rate of pay, and start date; and
 - Be non-contingent
 - Note: If the conditions of the employment exist, the lender must confirm prior to closing that all conditions of the employment are satisfied either by verbal verification or written documentation. This confirmation must be noted in the file.
- **This option is limited to the following:**
 - Purchase transactions
 - Principal residence
 - One-Unit property
 - The borrower cannot work for a family member
 - The qualified income is fixed base income

Housing/Bond Product - New Employment

- Housing/Bond Product loans are not permitted to close with an employment contract where the borrower will be starting a new job after loan closing.

Income from Cannabis Industry

- Must meet FNMA requirements for borrower eligibility and must be W2 income. If they are currently or have ever been an owner of the company, income is not allowed. Exceptions will not be considered.
- Freddie Mac not allowed

Manufactured Home Requirements

Manufactured Homes are eligible for financing under the Conventional program. The following list of restrictions and requirements are in addition to regular program underwriting requirements:

- Properties with an unexpired right of redemption are ineligible
- Repair escrows are ineligible

Manufactured Home Dwelling Requirements:

- If the manufactured home is de-titled prior to underwriting, nothing further is required.
- If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to title company on or before the date of closing to de-title the manufactured home. The title company instructions will include collecting the original certificate and de-titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.
- New construction is eligible if the manufactured home will be sold as real estate (de-titled and classified as Real Estate by dealer/seller) and vested in fee simple ownership prior to closing and reflected as real property on title commitment.

Paying Down Debts to Qualify

- Paying down revolving debts to qualify is not allowed

Power of Attorney

- All POA's used by the borrower(s) on the loan must be pre-approved by the Underwriter and may not be allowed to close without underwriter approval. POA's must be reviewed by all departments involved for accuracy up to and including Processing, Underwriting and Closing
- POA's used by the seller, realtor or other parties to the transaction, may be requested but do not need approval by FCM.
- Other POA Requirements are listed below:
 - A letter in the file, from and signed by the borrower, stating the hardship/reason for using the Power of Attorney
 - POAs cannot be used on cash out refinance transactions
 - Date of POA cannot be dated more than 180 days from the closing date

Repair Escrow

- Manufactured Homes are not eligible for Repair Escrows.
- Repairs must be required by the appraiser on the appraisal report.
- Repair Escrows may not cover any repair that would be considered a structural issue, is hazardous or may affect safety/soundness. (i.e. Mold removal and mitigation).
- Maximum Repair Amount: \$5,000. Amounts above \$5,000 require UW Manager Approval
- Major Repairs require a Professional Estimate from a Licensed/Bonded Individual. Major repairs to include major electrical, plumbing, mechanical systems or erosion/drainage.
- 30-day standard escrow timeframe. An extension may be allowed if weather related items cannot be completed in time due to inclement weather.

Tax Return Transcripts

IRS 1040 Personal Tax Transcripts are required regardless of AUS Findings; Prior to final approval for the following:

- All Self-Employed Income Including Schedules C, K1; W-2 where borrower is more than 25% owner
- Rental Income
- Capital Gains
- Dividend Income

Complete copies of SIGNED business tax returns are required prior to final approval and a 4506C for each business will be signed by the borrower at closing. If Transcripts cannot be obtained or are delayed past closing, the Underwriter may accept the following:

- Proof of when order was placed from Interthinx & showing not yet returned as of day the file is resubmitted for final condition review.
- Customer must log into IRS.gov and obtain a copy of their transcripts for review by the Underwriter – Transcripts provided by the borrower must match the returns submitted in the loan file
- They must be full transcripts – Record of Account only is not acceptable in place of the full transcripts
- If a balance is due on 2021 returns you need to determine if they have already paid (or have an APPROVED payment arrangement) or deduct assets by the amount owed. If they don't have enough assets to cover this and funds needed for closing, then UW may not approve this to proceed. Approved payment plans must be documented and included in DTI
- Any prior year's balance where there is a payment plan in place will also need to be provided and counted in DTI. Additional conditions may apply
- If there has been an amended return filed, we will need the transcript or proof of filing for the amended return
- Any other forms of documentation other than borrower provided transcripts that are being used to satisfy the transcript condition must be submitted to UW Management for exception approval
- ***This option is NOT eligible for consideration for the following products: Jumbo, follow Jumbo investor requirements***

Temporary Buydown

- Minimum FICO
 - Conventional/HomeReady/HomePossible: 620
 - FHA: 580
 - RD/USDA: 600
 - VA: 600
- Primary Residence Purchase Only
- Conforming Limits Only, No high balance or jumbo
- Manufactured Homes are ineligible
- Borrower/Lender may not contribute to Buydown, Seller/Builder Only
- Builder/Seller contribution towards buydown is included as part of the interested contribution limits per the loan product (Conventional/FHA)

Ineligible

The following are ineligible on Conventional Loans:

- Refer Findings and Manual Underwriting
- Appraisal ratings of C6 or Q6.
- Pooled assets and sweat equity not allowed
- Section 8 subsidies may not be used to offset the borrowers mortgage payment
- Boarder, Per Diem, and/or Gambling Income
- Monthly lender paid or any MI where premium is paid out of the mortgage interest. Custom/Reduced MI is not eligible unless on acceptable HFA products.
- Ineligible AUS findings are only acceptable on Non-Conforming Jumbo for excessive loan amount
- Section 8 Homeownership Program or Vouchers
- PACE or PACE like loan obligations or assessments
- Texas Owelty Liens
- Land Trusts and Community Land Trusts
- Co-ops
- Non-Warrantable Condominiums
- Commercial Enterprises, Boarding Houses, Tourist Houses, Private Clubs, Bed and Breakfast, Fraternity/ Sorority Houses, Assisted Living Board/Care Facilities, and Indian/Tribal Land
- Sinkhole Homes, Berm Homes, Geodesic Domes, Earth Homes, Hotel or Motel Condominium Conversions (or conversions of other similarly transient properties), Life Estate, and Working Farms
- Tiny Homes
- Manufactured Housing- Investment Properties

- Split Escrows are not allowed
- Credit- No Score, regardless of AUS findings
- No Loan Amounts under \$50,000



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FHA OVERLAYS

The following overlays apply to standard FHA and FHA Streamline loans only

Business Assets

If using business assets from a company where income is being used qualify; In order to determine the effect on the business, business tax returns should be reviewed, and a cash flow analysis should be developed using the following documentation:

- P&L and Balance Sheet
- Underwriter reserves the right to increase bank statements in additional to what is required by AUS

Citizenship

- A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.

FHA 203(h)

- Purchase Only- Rehab/Renovation is not eligible

Housing/Bond Product- New Employment

- Housing/Bond Product loans are not permitted to close with an employment contract where the borrower will be starting a new job after loan closing

Manufactured Home Requirements

Manufactured Homes are eligible for financing under the FHA program. The following list of restrictions and requirements are in addition to regular program underwriting requirements:

- 620 minimum credit score
- Approve/Accept /Eligible Only (Exceptions: Streamlines are manually underwritten).
- There is no specific acreage limit, however, generally the land to value should not exceed 30% of total value
- Properties with an unexpired right of redemption are ineligible.
- Repair escrows are ineligible.

Dwelling Requirements:

- If the manufactured home is de-titled prior to underwriting, nothing further is required.
- If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to title company on or before the date of closing to de- title the manufactured home. The title company instructions will include collecting the original certificate and de- titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.
- New construction is eligible if the manufactured home will be sold as real estate (de-titled and classified as Real Estate by dealer/seller) and vested in fee simple ownership prior to closing and reflecting as real property on title commitment.

Non-Credit Qualifying SL Documentation

- Non-Credit Qualifying Streamline Documentation- Current note or other documentation that provides all required information for Net Tangible Benefit (NTB)

Power of Attorney

- All POA's used by the borrower(s) on the loan must be pre-approved by the Underwriter and may not be allowed to close without underwriter approval. POA's must be reviewed by all departments involved for accuracy up to and including Processing, Underwriting and Closing
- POA's used by the seller, realtor, or other parties to the transaction, may be requested but do not need approval by FCM.
- Other POA Requirements are listed below:
 - A letter in the file, from and signed by the borrower, stating the hardship/reason for using the Power of Attorney
 - POAs cannot be used on cash out refinance transactions
 - Date of POA cannot be dated more than 180 days from the closing date

Repair Escrow

- Cash-Out transactions are ineligible for repair escrows
- Repairs must be required by the appraiser or appraisal report
- Repair escrows may not cover any repair that would be considered a structural issue or could affect the liability of the subject property.
- Repairs cannot be an item that could be a safety hazard (i.e.- roof replacement, mold removal, and mitigation)

Tax Return Transcripts

IRS 1040 Personal Tax Transcripts are required regardless of AUS Findings; Prior to final approval for the following:

- All Self-Employed Income Including Schedules C, K1; W-2 where borrower is more than 25% owner
- Rental Income
- Capital Gains
- Dividend Income

Complete copies of SIGNED business tax returns are required prior to final approval and a 4506C for each business will be signed by the borrower at closing. If Transcripts cannot be obtained or are delayed past closing, the Underwriter may accept the following:

- Proof of when order was placed from Interthinx & showing not yet returned as of day the file is resubmitted for final condition review.
- Customer must log into IRS.gov and obtain a copy of their transcripts for review by the Underwriter – Transcripts provided by the borrower must match the returns submitted in the loan file
- They must be full transcripts – Record of Account only is not acceptable in place of the full transcripts
- If a balance is due on 2021 returns you need to determine if they have already paid (or have an APPROVED payment arrangement) or deduct assets by the amount owed. If they don't have enough assets to cover this and funds needed for closing, then UW may not approve this to proceed. Approved payment plans must be documented and included in DTI
- Any prior year's balance where there is a payment plan in place will also need to be provided and counted in DTI. Additional conditions may apply
- If there has been an amended return filed, we will need the transcript or proof of filing for the amended return
- Any other forms of documentation other than borrower provided transcripts that are being used to satisfy the transcript condition must be submitted to UW Management for exception approval
- ***This option is NOT eligible for consideration for the following products: Jumbo- follow Jumbo investor requirements***

Temporary Buydown

- Minimum FICO 640
- Primary Residence Purchase Only
- Manufactured Homes are ineligible
- Borrower/Lender may not contribute to Buydown, Seller/Builder Only
- Builder/Seller contribution towards buydown is included as part of the interested contribution limits per the loan product

Ineligible

The following are ineligible on FHA Loans:

- Appraisal ratings of C6 or Q6.
- Pooled assets and sweat equity not allowed
- Section 8 subsidies may not be used to offset the borrowers mortgage payment
- Boarder, Per Diem, and/or Gambling Income
- Section 8 Homeownership Program or Vouchers
- PACE or PACE like loan obligations or assessments
- Texas Owelty Liens
- Land Trusts and Community Land Trusts
- Co-ops
- Non-Warrantable Condominiums
- Commercial Enterprises, Boarding Houses, Tourist Houses, Private Clubs, Bed and Breakfast, Fraternity/ Sorority Houses, Assisted Living Board/Care Facilities, and Indian/Tribal Land
- Sinkhole Homes, Berm Homes, Geodesic Domes, Earth Homes, Hotel or Motel Condominium Conversions (or conversions of other similarly transient properties), Life Estate, and Working Farms
- 203(k)
- Tiny Homes
- Split Escrows are not allowed
- Texas 50(a)(6) refinance
- Mixed-Use Properties
- Ineligible Borrowers: Non-natural, Foreign Nationals, Individuals with Diplomatic Immunity
- Solar & Wind Technology Program
- Income derived from Cannabis industry
- Loan Amounts under \$50,000



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USDA OVERLAYS

The following overlays apply to standard USDA loans only

Business Assets

If using business assets from a company where income is being used qualify; In order to determine the effect on the business, business tax returns should be reviewed, and a cash flow analysis should be developed using the following documentation:

- P&L and Balance Sheet
- Underwriter reserves the right to increase bank statements in additional to what is required by AUS

Citizenship

- A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.

Housing/Bond Product- New Employment

- Housing/Bond Product loans are not permitted to close with an employment contract where the borrower will be starting a new job after loan closing

Manufactured Home Requirements

Manufactured Homes are eligible for financing under the USDA program. The following list of restrictions and requirements are in addition to regular program underwriting requirements:

- 640 minimum credit score
- GUS Accept Only
- Must have a floor area of not less than 400 square feet
- Properties with an unexpired right of redemption are ineligible.
- Repair escrows are ineligible.
- Single wide are ineligible

Dwelling Requirements:

- If the manufactured home is de-titled prior to underwriting, nothing further is required.
- If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to title company on or before the date of closing to de- title the manufactured home. The title company instructions will include collecting the original certificate and de- titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.

Power of Attorney

- All POA's used by the borrower(s) on the loan must be pre-approved by the Underwriter and may not be allowed to close without underwriter approval. POA's must be reviewed by all departments involved for accuracy up to and including Processing, Underwriting and Closing
- POA's used by the seller, realtor or other parties to the transaction, may be requested but do not need approval by FCM.
- Other POA Requirements are listed below:
 - A letter in the file, from and signed by the borrower, stating the hardship/reason for using the Power of Attorney
 - POAs cannot be used on cash out refinance transactions
 - Date of POA cannot be dated more than 180 days from the closing date

Repair Escrow

Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:

- Manufactured Homes are not eligible for Repair Escrows.
- Repairs must be required by the appraiser on the appraisal report
- Repair Escrows may not cover any repair that would be considered a structural issue or could affect the liability of the subject. In addition, the repairs cannot be for an item that could be a safety hazard (i.e. Mold removal and mitigation)
- Maximum Repair Amount: \$5,000 or 10% of the final loan amount whichever is less (escrowed funds may not be less than the signed contract between the borrower and the contractor for the proposed repair work.)
- Two Contractor/Professional estimates are required
- 150% of the highest estimate may be included in the base loan amount (up to the appraised value)
- 100% of the estimate may be included in the base loan amount (up to the appraised value)
- The additional 50% must be funded by another sources (borrower, seller, etc.)
- 30-day standard escrow timeframe
- Up to 240 days escrow may be allowed if weather related items cannot be completed in the time due to inclement weather
- A Final inspection by the appraiser is required, and an Inspection Fee must be added. Final photos must be supplied by the appraiser
- USDA may issue the Loan Note Guarantee prior to the completion of the interior or exterior repairs provided the incomplete work does not affect the liability of the dwelling, nor the health or safety of the occupants, or that cannot be completed due to weather.

Tax Return Transcripts

IRS 1040 Personal Tax Transcripts are required regardless of AUS Findings; Prior to final approval for the following:

- All Self-Employed Income Including Schedules C, K1; W-2 where borrower is more than 25% owner
- Rental Income
- Capital Gains
- Dividend Income

Complete copies of SIGNED business tax returns are required prior to final approval and a 4506C for each business will be signed by the borrower at closing. If Transcripts cannot be obtained or are delayed past closing, the Underwriter may accept the following:

- Proof of when order was placed from Interthinx & showing not yet returned as of day the file is resubmitted for final condition review.
- Customer must log into IRS.gov and obtain a copy of their transcripts for review by the Underwriter – Transcripts provided by the borrower must match the returns submitted in the loan file
- They must be full transcripts – Record of Account only is not acceptable in place of the full transcripts
- If a balance is due on 2021 returns you need to determine if they have already paid (or have an APPROVED payment arrangement) or deduct assets by the amount owed. If they don't have enough assets to cover this and funds needed for closing, then UW may not approve this to proceed. Approved payment plans must be documented and included in DTI
- Any prior year's balance where there is a payment plan in place will also need to be provided and counted in DTI. Additional conditions may apply
- If there has been an amended return filed, we will need the transcript or proof of filing for the amended return
- Any other forms of documentation other than borrower provided transcripts that are being used to satisfy the transcript condition must be submitted to UW Management for exception approval
- ***This option is NOT eligible for consideration for the following products: Jumbo- follow Jumbo investor requirements***

Temporary Buydown

- 3-2-1 buydowns are not eligible on RD Loans (per USDA)
- Minimum FICO 640
- Primary Residence Purchase Only
- Manufactured Homes are ineligible
- Borrower/Lender may not contribute to Buydown, Seller/Builder Only
- Builder/Seller contribution towards buydown is included as part of the interested contribution limits per the loan product (Conventional/FHA)

Ineligible

The following are ineligible on USDA Loans:

- Appraisal ratings of C6 or Q6.
- Pooled assets and sweat equity not allowed
- Section 8 subsidies may not be used to offset the borrowers mortgage payment
- Boarder, Per Diem, and/or Gambling Income
- Income derived from Cannabis industry/hemp sales
- Section 8 Homeownership Program or Vouchers
- PACE or PACE like loan obligations or assessments
- Texas Owelty Liens
- Land Trusts and Community Land Trusts
- Co-ops
- Non-Warrantable Condominiums
- Commercial Enterprises, Boarding Houses, Tourist Houses, Private Clubs, Bed and Breakfast, Fraternity/ Sorority Houses, Assisted Living Board/Care Facilities, and Indian/Tribal Land
- Sinkhole Homes, Berm Homes, Geodesic Domes, Earth Homes, Hotel or Motel Condominium Conversions (or conversions of other similarly transient properties), Life Estate, and Working Farms
- Tiny Homes
- Split Escrows are not allowed
- Texas 50(a)(6) refinance
- Mixed-Use Properties
- USDA Direct Loans
- Non-Owner Occupied and Second Homes
- No Loan Amounts under \$50,000



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VA OVERLAYS

The following overlays apply to standard VA and VAIRRL loans only

Business Assets

If using business assets from a company where income is being used qualify; In order to determine the effect on the business, business tax returns should be reviewed, and a cash flow analysis should be developed using the following documentation:

- P&L and Balance Sheet
- Underwriter reserves the right to increase bank statements in additional to what is required by AUS

Citizenship

- A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.

Housing/Bond Product- New Employment

- Housing/Bond Product loans are not permitted to close with an employment contract where the borrower will be starting a new job after loan closing

Manufactured Home Requirements (VA)

Manufactured Homes are eligible for financing under the VA program. The following list of restrictions and requirements are in addition to the regular program underwriting requirements:

- There is no specific acreage limit, however, generally the land-to-value should not exceed 30% of the total value.
- Properties with an unexpired right of redemption are ineligible.
- Minimum 700 sq. ft.

Dwelling Requirements:

- If the manufactured home is de-titled prior to underwriting, nothing further is required.
- If the manufactured home is not de-titled, a copy of the original certificate of title will be required for underwriting approval; the original certificate of title must be delivered to the title company on or before the date of closing the original certificate and de-titling the manufactured home to be classified as real estate except when the loan is in conjunction with a THDA loan. For THDA, the title company will need to send us the original certificate of title so we can send it to THDA for de-titling.
- Used manufactured housing units that have been moved from their original lots are not eligible.

Power of Attorney

- All POA's used by the borrower(s) on the loan must be pre-approved by the Underwriter and may not be allowed to close without underwriter approval. POA's must be reviewed by all departments involved for accuracy up to and including Processing, Underwriting and Closing
- POA's used by the seller, realtor or other parties to the transaction, may be requested but do not need approval by FCM.
- Other POA Requirements are listed below:
 - A letter in the file, from and signed by the borrower, stating the hardship/reason for using the Power of Attorney
 - POAs cannot be used on cash out refinance transactions
 - Date of POA cannot be dated more than 180 days from the closing date

Repair Escrow

Repair Escrows are reviewed on a case-by-case basis and require management approval; however, as a general guideline, all the following stipulations must be satisfied:

- Repairs must be required by the appraiser on the appraisal report
- Repair Escrows may not cover any repair that would be considered a structural issue, is hazardous or may affect safety/soundness. (i.e. Mold removal and mitigation)
- Maximum Repair Amount: \$5,000
- Major Repairs require a Professional Estimate from a Licensed/Bonded Individual. Major repairs to include major electrical, plumbing, mechanical systems or erosion/drainage
- Minor Repairs up to \$1500 may be completed by the borrower (i.e. Paint, Drywall, Trim etc.). Repairs beyond the \$1500 limit can be completed by borrower with prior underwriting approval
- Escrow amount will be 150% of the estimated cost to complete the repair. The higher of the Appraiser's estimate and/or professional estimate obtained by borrower will be used
- 100% of the estimate may be included in the base loan amount (up to the appraised value). Any unused portion of the financed escrow will be credit back to the loan as a principal reduction
- The additional 50% must be funded by another sources (borrower, seller, etc.) This part of the escrow is the only portion refundable to the borrower
- 30-day standard escrow timeframe. An extension may be allowed if weather related items cannot be completed in time due to inclement weather
- A Final inspection is required, and an Inspection Fee must be added
- Borrower/LO must notify FCM of completed repairs. All receipts must be sent to escrowhb@fcmpartners.com. FCM will order a final inspection and pay for that inspection from escrow funds.
- Delegated Correspondent is required to provide FCM a final inspection showing all required repairs have been completed and proof funds have been disbursed appropriately.

Tax Return Transcripts

IRS 1040 Personal Tax Transcripts are required regardless of AUS Findings; Prior to final approval for the following:

- All Self-Employed Income Including Schedules C, K1; W-2 where borrower is more than 25% owner
- Rental Income
- Capital Gains
- Dividend Income

Complete copies of SIGNED business tax returns are required prior to final approval and a 4506C for each business will be signed by the borrower at closing. If Transcripts cannot be obtained or are delayed past closing, the Underwriter may accept the following:

- Proof of when order was placed from Interthinx & showing not yet returned as of day the file is resubmitted for final condition review.
- Customer must log into IRS.gov and obtain a copy of their transcripts for review by the Underwriter – Transcripts provided by the borrower must match the returns submitted in the loan file
- They must be full transcripts – Record of Account only is not acceptable in place of the full transcripts
- If a balance is due on 2021 returns you need to determine if they have already paid (or have an APPROVED payment arrangement) or deduct assets by the amount owed. If they don't have enough assets to cover this and funds needed for closing, then UW may not approve this to proceed. Approved payment plans must be documented and included in DTI
- Any prior year's balance where there is a payment plan in place will also need to be provided and counted in DTI. Additional conditions may apply
- If there has been an amended return filed, we will need the transcript or proof of filing for the amended return
- Any other forms of documentation other than borrower provided transcripts that are being used to satisfy the transcript condition must be submitted to UW Management for exception approval
- ***This option is NOT eligible for consideration for the following products: Jumbo- follow Jumbo investor requirements***

Temporary Buydown

- Minimum FICO 640
- Primary Residence Purchase Only
- Manufactured Homes are ineligible
- Borrower/Lender may not contribute to Buydown, Seller/Builder Only
- Builder/Seller contribution towards buydown is included as part of the interested contribution limits per the loan product

Ineligible

The following are ineligible on VA Loans:

- Appraisal ratings of C6 or Q6.
- Pooled assets and sweat equity not allowed
- Section 8 subsidies may not be used to offset the borrowers mortgage payment
- Boarder, Per Diem, and/or Gambling Income
- Section 8 Homeownership Program or Vouchers
- PACE or PACE like loan obligations or assessments
- Income derived from Cannabis industry
- Texas Owelty Liens
- Land Trusts and Community Land Trusts
- Co-ops
- Non-Warrantable Condominiums
- Commercial Enterprises, Boarding Houses, Tourist Houses, Private Clubs, Bed and Breakfast, Fraternity/ Sorority Houses, Assisted Living Board/Care Facilities, and Indian/Tribal Land
- Sinkhole Homes, Berm Homes, Geodesic Domes, Earth Homes, Hotel or Motel Condominium Conversions (or conversions of other similarly transient properties), Life Estate, and Working Farms
- Tiny Homes
- Manufactured Housing- Second Home and Investment Properties
- Split Escrows are not allowed
- Texas 50(a)(6) refinance
- Mixed-Use Properties
- Properties located in Coastal Barrier Resource System Areas
- Loan Amounts under \$50,000