

FHA UNDERWRITING OVERLAYS

Borrower	Guideline Overlay
Eligible Borrowers	Only borrowers with a valid social security number are allowed
Maximum Borrowers	There can be no more than four borrowers per loan
Maximum Loans*	UWM will service a maximum of four loans per borrower at any one point in time.

Eligibility	Guideline Overlay
AUS Feedback	Only Approve/Eligible Accept/Eligible loans are allowed. No manual underwriting
At Closing Principal Curtailments	Principal curtailments over \$500 are not allowed unless the result of excess premium rate credit
Mortgage Credit Certificates	Not permitted
DTI Cap*	DTI is capped at the lower of: 50% OR what is allowable per AUS.

Credit	Guideline Overlay
Credit Scores	Must have at least two reported scores
Mortgage History*	Mortgages attached to the subject property must be documented up to the month of disbursement. No late payments are allowed.
	No late mortgage payments in the last 12 months are allowed UNLESS the mortgage was in forbearance and the requirements in the following section are met.
	For loans that were in forbearance, the loan must no longer be in forbearance. Additionally, one of the following must be true: <ol style="list-style-type: none"> 1. The borrower has made ALL mortgage payments within the month they were originally due during the forbearance period (i.e. all payments made in full, on-time) OR 2. If the borrower has NOT made ALL mortgage payments during forbearance, then 6 consecutive, on-time payments must be documented since the loan was removed from forbearance. In both cases above, the mortgage must be current.
Mortgage Seasoning	Cash-out refinances must have a minimum of 6 on-time payments made on the loan being paid off and 210 days must elapse from first payment date on loan being paid off to first payment date of new loan
VOMs	A VOM is acceptable as standalone documentation, as long as it comes from a registered financial institution or servicer.
Credit Report*	Credit reports cannot be more than 60 days old at the time of loan submission.

Income/Employment	Guideline Overlay
--------------------------	--------------------------



Employment Status*	<p>If a borrower is laid off, furloughed, or on leave <u>due to COVID-19</u>, the income may not be used prior to the borrower returning to work.</p> <p>If the borrower is on temporary leave for a reason <u>not related to COVID-19</u> (e.g. maternity leave, workman’s comp, etc.), the borrower’s full-time income may be used to qualify if the employer verifies: (1) A firm return to work date and (2) That income/hours will not be restricted due to COVID-19.</p>
VOEs	A VOE is not acceptable as standalone documentation, unless ordered by UWM. A paystub or the equivalent is otherwise required
Paystubs*	<p>The check date on the paystub must be within 60 days of closing.</p> <p>If paystubs are received monthly, the most recent paystub is required.</p>
Overtime/Bonus/Commission/Tips*	If the variable income is paid outside of the regular base earnings paystub, the separate paystub must have a check date that is within 60 days of the date of underwrite.
	If the borrower is qualifying with an annual bonus, evidence that it has already been received for 2020 is required. The borrower may not qualify with an annual bonus that has not yet been paid out.
	<p>Variable pay must be calculated by using the lowest of: (1) The two-year + YTD average, (2) YTD average, OR (3) the income reflected on the paystub.</p> <p>If there is a significant decline from the YTD average to the income reflected on the paystub, additional documentation will be required to verify the stability of the income.</p>
	One of the following is required for variable pay: (1) The most recent available paystub on the date of underwriter review showing current receipt of the variable pay type OR (2) A WVOE or employer LOX is required explaining the likelihood the income will continue as well as any decline expected as a result of COVID-19.
Self-Employment Income*	<p>2019 tax returns are required¹</p> <ul style="list-style-type: none"> If 2019 tax returns are not available, a Profit and Loss (P&L) Statement covering 2019 is required.
	A YTD P&L is required, and must be dated within 30 days of application and may not be more than 60 days old as of closing
Assets	Guideline Overlay
VODs	A VOD is not acceptable as standalone documentation unless ordered by UWM. A bank statement, transaction history, or the equivalent is also required.
Asset Statements*	Assets cannot be more than 60 days old as of closing; therefore, the most recent statement must be provided.
Property	Guideline Overlay

¹ Requirement for loans underwritten on/after May 13, 2020



Ineligible Properties	Co-ops, Texas 50(a)(6), properties listed for sale and Manufactured Homes.
Refinance of Listed Properties	Must remove listing prior to clear to close.

**** This is a temporary overlay due to the COVID-19 pandemic.***

