

Revision 10/20/2022 (Wholesale/Correspondent)

Category	GUIDELINE OVERLAYS APPLIES TO BOTH FNMA AND FHLMC PRODUCTS
<p><i>COVID-19 Overlays</i></p>	<p><u>Agency updates related to Covid-19:</u></p> <ul style="list-style-type: none"> • For borrower that was in forbearance, there are 2 options to finance new loan. Applies to all mortgages not just subject property: <ul style="list-style-type: none"> ○ Provide credit supplement or satisfactory evidence to show borrower is no longer in forbearance with supporting documents and all payments deferred is paid current prior to doc. New loan proceeds cannot be used for reinstatement. ○ Provide satisfactory evidence to show borrower is no longer in forbearance with supporting documents to verify the End Date. If outstanding payments will be or have been resolved through a loss mitigation solution (such as payments deferral or loan modifications), the borrower is eligible for a new mortgage loan if they have made at least three most current consecutive timely payments. New loan proceeds may be used to pay off the remaining payments of a repayment plan, deferral amount, or a modified mortgage. • Self-Employed Verbal Verification at closing (2/7/2022). Below are examples of methods the lender may use to confirm the borrower’s business is currently operating: <ul style="list-style-type: none"> ○ Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the lender verifies self-employment); ○ Evidence of current business receipts within 20 days of the note date (payment for services performed); ○ Lender certification the business is open and operating (lender confirmed through a phone call or other means); or ○ Business website demonstrating activity supporting current business operations (timely appointments for estimates or services can be scheduled). • Effective on loans in “submitted” status on or after 6/2/2020. All mortgages must be current prior to closing. For the purposes of these requirements, “current” means the borrower has made all mortgage payments due in the month prior to the note date of the new loan transaction by no later than the last business day of that month required by agency. A current mortgage coupon is acceptable with mortgage showing current on credit. • Business Assets: Loan proceeds from the SBA Payroll Protection Plan (PPP) and/or any other similar COVID-19 related programs are not considered business assets for the purposes of eligible funds to qualify for the borrower for the mortgage transaction, including but not limited to, funds for down payment, closing costs, and reserves. • PPP Loans: A copy of the note will be required to determine if payment will be included into the borrower’s liabilities.
<p><i>Maximum Loans to One Borrower Sold to JMAC</i></p>	<p>The aggregate dollar amount of all loans sold or serviced by JMAC may not exceed \$3Million to one borrower or to a married couple.</p>
<p>Broker Own Loan</p>	<p>Loan where borrower and loan officer are the Broker of Record. Broker is eligible to submit under their own company under the conforming products only. Two years full doc qualification is required.</p>

<i>Maximum Borrowers</i>	There can be no more than four (4) borrowers per loan.
<i>DU Recommendation</i>	DU Approve/Eligible or LP Accept are required for all loans-No Manual Underwrites
<i>Minimum Loan Amount</i>	\$75,000.
<i>Property Types</i>	<ul style="list-style-type: none"> • Except for Age restrictions, properties with Deed Restrictions are ineligible • Co-Ops are ineligible
<i>Condominiums</i>	<ul style="list-style-type: none"> • Live Work Condominiums are ineligible • Gut Rehabs are ineligible • Condo conversions within the past 3 years are ineligible
<i>Number of properties owned</i>	Maximum number of properties owned limited to 15 regardless of whether financed or not. Maximum financed subject to agency guidelines.
<i>Non-Arms- Length Transactions</i>	<ul style="list-style-type: none"> • Not permitted when property being sold is a Pre-foreclosure or Short Sale. • Maximum LTV for Second Homes and Investment transactions is 80% • No Gift Funds allowed from an interested party to our transaction
<i>HERO/PACE Loans</i>	Must be paid off or removed
<i>Transferred Appraisals</i>	Allowed on 30-year Fixed Rate products with Conforming Loan Amounts only
<i>Power of Attorney</i>	A POA is not allowable on transactions for non-occupant co-borrowers added to an owner - occupied transaction for qualification purposes.
<i>Escrow Holdbacks</i>	Not allowed