

SUBJECT GUARANTY HOME MORTGAGE CORPORATION OVERLAY	
Agency Guidelines	VA: <a href="http://benefits.va.gov/warms/pam26_7.asp">http://benefits.va.gov/warms/pam26_7.asp</a>
4506-T and Tax Return Transcripts	As per VA
Appraisals	As per VA
Assets	As per VA
Credit Report Inquiries	As per VA
Eligible Borrowers	<ul style="list-style-type: none"> <li>• Veteran</li> <li>• Veteran &amp; Spouse</li> <li>• More than one Veteran, and all will be using a portion of their own entitlement</li> <li>• Unmarried surviving spouse</li> <li>• All other borrower combos are ineligible</li> </ul>
Employment Contract	As per VA
Escrow for Completion/Repairs	As per VA
Flood Insurance	Refer to Insurance Requirements Guide
High Balance Loans	<p>GHMC will purchase VA loans with amounts exceeding the one-unit Conforming Loan limit provided the Loans meet VA published guidelines and the following <b>VA High Balance</b> loan requirements:</p> <ul style="list-style-type: none"> <li>• 30- and 15-year fixed rates</li> <li>• Minimum credit score Purchase \$510,401 to \$700,000 = 660</li> <li>• Minimum credit score Cash-Out Refinance \$510,401-\$700,000 = 680</li> <li>• Must have AUS Approval (except for IRRRL)</li> <li>• Minimum credit score IRRRL = 660</li> <li>• Maximum loan amount \$700,000</li> <li>• Max Cash-out with loan amounts \$510,401-\$700,000 = \$325,000</li> </ul>
Identity of Interest	As Per VA
Maximum Number of Loans with GHMC	GHMC will only finance up to 4 properties for any borrower(s)
Mortgage Credit Certificates	Mortgage Credit Certificates cannot be used for debt-to-income qualification purposes
New Construction	<ul style="list-style-type: none"> <li>• Certificate of Occupancy required</li> <li>• One-Time Close Construct to Perm are not eligible</li> </ul>
Purchase	<ul style="list-style-type: none"> <li>• Minimum credit score Purchases with AUS Approval = 620</li> <li>• Minimum credit score Purchase-manual underwrite = 660- max DTI 45%</li> <li>• The maximum CLTV for purchase loans is 100% (calculated using the base loan amount)</li> <li>• Owner occupied only</li> </ul>
Refinance	<ul style="list-style-type: none"> <li>• Minimum credit score Cash-Out with AUS Approval = 620</li> <li>• Minimum credit score Cash-Out Manual Underwrite = 700- max DTI 45%</li> <li>• Minimum credit score VA IRRRLs = 620</li> <li>• Texas Cash-Out Refinances are not eligible</li> <li>• Owner occupied only (including IRRRL's)</li> <li>• IRRRL- no 30-day or greater mortgage late payments will be allowed in the most recent 12 months</li> <li>• IRRRL-Mortgage Only credit report allowed</li> </ul>
Reserves	<ul style="list-style-type: none"> <li>• Loan amount \$510,400 to \$650,000 – 6 months PITI</li> <li>• Loan amount \$650,001 to \$700,000 – 12 months PITI</li> </ul>

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<b>Sale of Personal Property for Funds to Close</b>	<p>The following are required to document the sale of personal assets for funds to close:</p> <ul style="list-style-type: none"> <li>• Bill of sale reflecting: <ul style="list-style-type: none"> <li>o Date of sale</li> <li>o Asset to be sold</li> <li>o Sales price</li> <li>o Signatures of the Buyer &amp; Seller</li> </ul> </li> <li>• Proof of ownership</li> <li>• Proof of value via third party</li> <li>• Transfer of ownership <ul style="list-style-type: none"> <li>o Copy of check or bank statement showing deposit</li> </ul> </li> </ul>
<b>Sales Contract Changes/ Re-negotiated Purchase Agreements</b>	<p>GHMC will not accept renegotiated purchase agreements that increase the sales price after the original appraisal has been completed. The Loan to Value will be based on the lower of the original purchase price or the appraised value, unless;</p> <ul style="list-style-type: none"> <li>• Re-negotiation of only seller paid closing costs and/or pre-pays where seller paid closing costs/pre-pays are common and customary for the market and supported by the comparable sale, <b>or</b></li> <li>• An amended purchase agreement for new construction property is obtained due to improvements that have been made that impact the tangible value of the property. In the event of such changes, an updated appraisal must be obtained to verify the value of modifications.</li> </ul>
<b>Secondary Employment/ Multiple Jobs</b>	As per VA
<b>Significant Derogatory Events (Bankruptcy, Foreclosure, Short Sale and Deed in Lieu)</b>	<ul style="list-style-type: none"> <li>• Shorter periods for extenuating circumstances are generally not allowed but may be considered based on a verifiable catastrophic life event, on an exception basis. (Divorce is not considered a catastrophic life event)</li> </ul>
<b>Termite, Septic and Individual Water Systems</b>	Cisterns, springs and water sources other than dug well are generally not acceptable, but may be considered on an exception basis
<b>Variable Income</b>	As per VA
<b>Verbal Verification of Employment (VVOE)</b>	<ul style="list-style-type: none"> <li>• Self-employed borrowers: Verbal VOE to be completed within 30 days of note date</li> </ul>