

<b>SUBJECT GUARANTY HOME MORTGAGE CORPORATION OVERLAY</b>	
Agency Guidelines	FNMA: <a href="https://www.fanniemae.com/content/guide/selling/b/index.html">https://www.fanniemae.com/content/guide/selling/b/index.html</a> FHLMC: <a href="http://www.freddiemac.com/singlefamily/guide/">http://www.freddiemac.com/singlefamily/guide/</a>
4506-T and Tax Return Transcripts	As per agency  Refer to FNMA B1-1-03 Allowable Age of Credit Documents and Federal Income Tax Returns for additional guidance regarding transcripts, extensions, no record found when tax transcripts are required to verify income.
Appraisals	<ul style="list-style-type: none"> <li>• Brokers/Non-Delegated Correspondents:               <ul style="list-style-type: none"> <li>◦ Must be ordered through GHMC approved AMC</li> <li>◦ N/A if Non-Delegated Correspondent has an approved AIR Policy on file</li> </ul> </li> <li>• Delegated Correspondents:               <ul style="list-style-type: none"> <li>◦ An appraisal update that supports the original appraised value for loans purchased more than 60 days after closing (note date to purchase date) is required. The appraisal update must be dated within 30 days of the date GHMC purchases the loan.</li> </ul> </li> <li>• GHMC may accept a transferred appraisal on an exception basis, subject to the following requirements:               <ul style="list-style-type: none"> <li>◦ AIR Cert showing the appraisal was ordered in compliance with all guidelines and regulations</li> <li>◦ Provide the .pdf as well as the .xml appraisal file</li> <li>◦ A transfer letter from the company whose name the appraisal is currently in stating that they release all rights, title and interest in the appraisal to GHMC</li> <li>◦ Satisfactory review by Regional Underwriting Manager</li> </ul> </li> </ul>
Assets	As per agency
Credit Report Inquiries	As per agency
Credit Scores	See Product Matrix and Rate Sheet for minimum credit score requirements
Employment Contract/ Income Commencing After the Note Date	<ul style="list-style-type: none"> <li>• FNMA- Option 2 only</li> <li>• FHLMC- Option 1 only</li> </ul>
Escrow for Completion/Repairs	As per agency
Fannie Mae	<ul style="list-style-type: none"> <li>• Fannie Mae HomePath - not currently offered</li> <li>• Fannie Mae My Community - not currently offered</li> <li>• HomeStyle Energy Mortgage- not currently offered</li> <li>• HomeStyle Renovation Mortgage- not currently offered</li> </ul>
Freddie Mac	<ul style="list-style-type: none"> <li>• Open Access Relief Refinance - not currently offered</li> <li>• Freddie Mac HomeOne- not currently offered</li> </ul>
High Balance Conventional Loans	See Conventional High Balance Conforming Product Matrix
Identity of Interest	Loans for second home or investment property are not eligible for purchase by GHMC if the transaction includes non-arm's length and/or at-interest characteristics
Investment Property	As per agency
Maximum Number of Loans with GTC	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	Certificate of Occupancy required

SUBJECT      GUARANTY HOME MORTGAGE CORPORATION OVERLAY	
<b>Sale of Personal Property</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-paid(s) where seller paid closing costs/pre-paid(s) are common and customary for the market and supported by the comparable(s), <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>Reserves</b>	As per agency
<b>Secondary Employment/ Multiple Jobs</b>	As per agency
<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>Subordinate Financing</b>	As per agency
<b>Termite, Septic and Individual Water Systems</b>	Cisterns, springs and water sources other than dug well are generally not acceptable
<b>Texas Cash-Out Refinance</b>	<ul style="list-style-type: none"> <li>• LTV's will be limited to 80%</li> <li>• Minimum Credit Score of 660</li> <li>• Acreage will be limited to a maximum of 10 acres</li> <li>• No agricultural properties permitted</li> <li>• Fees cannot exceed 3% without premium pricing</li> <li>• No Power of Attorneys will be allowed</li> <li>• No Non-Occupying Co-Borrowers are allowed</li> <li>• Loan must be a DU Accept/Eligible</li> <li>• Condominiums not allowed</li> <li>• Interest only and balloon amortization will not be permitted</li> <li>• Loan cannot close prior to the 1<sup>st</sup> anniversary of the closing date of any other equity loan secured by the same homestead property</li> <li>• No interest credit transaction allowed</li> <li>• Cash Out Refi's - Owner Occupied. For Second Homes and Investment properties, must verify that no previous 50(a)(6) loans on the subject.</li> </ul>
<b>Variable Income</b>	As per agency
<b>Verbal Verification of Employment (VVOE)</b>	<ul style="list-style-type: none"> <li>• Self-employed borrowers: <ul style="list-style-type: none"> <li>o Verbal VOE to be completed within 30 days of note date</li> </ul> </li> </ul>
<b>Miscellaneous</b>	<ul style="list-style-type: none"> <li>• Manufactured homes not allowed (properties containing a main dwelling and a detached manufactured home must still be considered a manufactured home for loan underwriting sale purposes)</li> <li>• Condominium's requiring PERS approval are ineligible</li> </ul>