



IMPORTANT UPDATE BULLETIN 30 06282021

Issued to: All Channels

Date: 6-28-2021

Subject: GHMC COVID-19 Overlay Updates

Effective: Immediately – For Current Loans in Pipeline and New Submissions

Great news! Effective immediately, GHMC has updated or removed the following COVID-19 overlays to Conventional and Government products as noted below:

Conventional	
Previous Guidance	New Guidance
<p>Use of Rental Income to qualify:</p> <p>Purchase 2-4 Unit Primary:</p> <ul style="list-style-type: none"> Must have a signed lease, and proof of receipt of first month's rent. Must have 3 months PITI reserves for subject property. Tenant may not have any familial, personal, business affiliation. <p>Refinance:</p> <ul style="list-style-type: none"> Document receipt of rent for the most recent 2 months: OR 6 months PITI reserves for subject property. <p>All Other REO:</p> <ul style="list-style-type: none"> Document receipt of rent for the most recent 2 months: OR 3 months PITI for each property. <p>Purchase Investment:</p> <ul style="list-style-type: none"> Must have a signed lease, and proof of receipt of first month's rent. Must have 6 months PITI reserves for subject property. Tenant may not have any familial, personal, business affiliation. <ul style="list-style-type: none"> have 6 months PITI reserves for subject property. 	<p>Use of Rental Income to qualify:</p> <p>Purchase 2-4 Unit Primary:</p> <p>Removed overlay.</p> <p>Refinance- Investment Property or 2-4 Unit Primary Residence:</p> <ul style="list-style-type: none"> Document receipt of rent for the <u>most recent</u> two (2) months. <p>All other REO :</p> <ul style="list-style-type: none"> Document receipt of rent for the <u>most recent</u> two (2) months. <p>Purchase Investment:</p> <p>Removed overlay.</p>

<ul style="list-style-type: none"> Tenant may not have any familial, personal, business affiliation. <p>Departing Residence:</p> <ul style="list-style-type: none"> Must have a signed lease, and proof of receipt of first month's rent. Must have 6 months PITI reserves for subject property. Tenant may not have any familial, personal, business affiliation. 	<p>Departing Residence:</p> <p>Removed overlay.</p>
<p>Self Employed Borrowers:</p> <ul style="list-style-type: none"> Cash-out Second-Home: <ul style="list-style-type: none"> 6 months PITI reserves required for subject property. Business assets cannot be used towards reserves. Cash-out cannot be used to meet reserve requirements. Cash-out Investment Property: <ul style="list-style-type: none"> 9 months PITI reserves requires for subject property. Business assets cannot be used towards reserves. Cash-out cannot be used to meet reserve requirements. 	<p>Self Employed Borrowers</p> <p>Cash-out Second-Home:</p> <p>Removed Overlay</p> <p>Cash-out Investment Property:</p> <p>Removed Overlay</p>
FHA	
Previous Guidance	New Guidance
<p>Use of Rental Income to qualify:</p> <ul style="list-style-type: none"> FHA Temporary guidance will expire on 06/30/2021. Upon expiration, GHMC new guidance will take effect. 	<p>Use of Rental Income to Qualify:</p> <ul style="list-style-type: none"> Receipt of rent for most recent two months.
<p>DTI > 50%</p> <ul style="list-style-type: none"> 3 Months PITI reserves. 	<p>DTI> 50%</p> <p>Removed Overlay</p>
<p>Purchase & Rate/Term Refinance – Manual Underwrites:</p> <ul style="list-style-type: none"> 660 minimum Credit Score 0 X 30/ no new derogatory credit in most recent 12 months. 	<p>Purchase & Rate/Term Refinance – Manual Underwrite:</p> <ul style="list-style-type: none"> Reduced to GHMC standard requirements. 640 minimum credit score.
<p>Cash-Out Refinance:</p> <ul style="list-style-type: none"> AUS approval required. 660 minimum credit score. 0 x 30/ no new derogatory credit in the most recent 12 months. 	<p>Cash-Out Refinance:</p> <p>Reduced to GHMC standard requirements.</p> <ul style="list-style-type: none"> 620 minimum credit score. Manual underwrite requires 700 credit score.
<p>High Balance Transactions:</p> <ul style="list-style-type: none"> 0 x 30 / no new derogatory credit in the most recent 12 months. Cash out allowed with credit score ≥ 700 	<p>High Balance Transactions:</p> <p>Reduced to GHMC standard requirements.</p> <ul style="list-style-type: none"> AUS approval required. 660 minimum credit score.

Streamline Refinance: <ul style="list-style-type: none"> • 660 Conforming • Full credit report required 	Streamline Refinance: Reduced to GHMC standard requirements. <ul style="list-style-type: none"> • 640 minimum credit score – conforming. • 700 minimum credit score – high balance. • Single family. • Primary Residence. • VOE required.
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VA

Previous Guidance	New Guidance
Use of Rental Income to qualify: Purchase 2-4 Unit Primary: <ul style="list-style-type: none"> • Must have a signed lease, and proof of receipt of first month's rent. • Tenant may not have any familial, personal, business affiliation. Refinance: <ul style="list-style-type: none"> • Document receipt of rent for the most recent 2 months: OR • 6 months PITI reserves for subject property. Departing Residence: <ul style="list-style-type: none"> • Must have a signed lease, and proof of receipt of first month's rent. • Must have 6 months PITI reserves for subject property. • Tenant may not have any familial, personal, business affiliation. 	Use of Rental Income to qualify: Purchase 2-4 Unit Primary: Removed overlay. Refinance: <ul style="list-style-type: none"> • Document receipt of rent for most recent two months, in addition to any standard VA rental income documentation requirements. Departing Residence: Removed overlay.
DTI > 50% <ul style="list-style-type: none"> • 3 Months PITI reserves 	DTI > 50% Removed overlay
Purchase & Rate/Term Refinance – Manual Underwrite: <ul style="list-style-type: none"> • 660 minimum Credit Score • 0 X 30/ no new derogatory credit in most recent 12 months. 	Purchase & Rate/Term Refinance – Manual Underwrite: <ul style="list-style-type: none"> • 660 minimum credit score. • 45% max DTI.
Cash-Out Refinance <ul style="list-style-type: none"> • AUS approval required. • 660 minimum credit score. • 0 x 30/ no new derogatory credit in the most recent 12 months. 	Cash-Out Refinance Reduced to GHMC standard requirements. <ul style="list-style-type: none"> • 620 minimum credit score. Manual underwrite: <ul style="list-style-type: none"> • Requires 700 credit score. • 45% Max DTI.
High Balance: <ul style="list-style-type: none"> • 0 x 30/ no new derogatory credit in the most recent 12 months. • Cash Out allowed with credit score ≥ 700 	High Balance: Reduced to GHMC standard requirements. <ul style="list-style-type: none"> • AUS Approval required. • See updated VA Matrix for updated requirements.
IRRRL: <ul style="list-style-type: none"> • 660 Conforming. 	IRRRL:

<ul style="list-style-type: none"> • Full credit report required. 	<p>Reduced to GHMC standard requirements.</p> <ul style="list-style-type: none"> • 640 minimum credit score – conforming. • See updated VA Matrix for updated high balance requirements. • Single Family. • Primary Residence. • VOE Required.
USDA/RD	
Previous Guidance	New Guidance
<p>Other REO:</p> <ul style="list-style-type: none"> • Document receipt of rent for the most recent 2 months: OR • 3 months PITI. 	<p>Other REO Properties:</p> <ul style="list-style-type: none"> • Document receipt of rent for most recent 2 months.
<p>Purchase transactions must receive a GUS Accept</p>	<p>Purchase transactions must receive GUS Accept:</p> <p>Removed overlay.</p>

The “**COVID-19 Temporary Guidance – All Products**” document has been updated to reflect above revisions. It is posted in the Resource Center in the Product Guidelines – Conventional and Government sub-folders.

Please contact your Account Executive for assistance.

We appreciate your business!