

Conventional Overlay Matrix

Chapter	Topic	Overlay
<i>Requirements & Restrictions</i>	Available Terms	Adjustable Rate (ARM): 5/1, 7/1 LIBOR (30 year term)
	Maximum Number of Borrowers	MMI does not allow any greater than 4 borrowers on a single loan
	Ineligible Products	5/5 ARMs
	AUS Requirements	DU Findings reflecting Approve/Eligible, or LP Findings reflecting Accept are required. Recommendations of Refer or loans otherwise requiring manual underwriting are ineligible.
<i>Collateral</i>	Ineligible Property Types	Properties exhibiting commercial/industrial use
		Title held as Leasehold in all states other than CA and MD
		CoOps
		Properties vested in Life Estates
		Land Trusts
		Mobile / manufactured homes
UAD Rating	Condition Ratings of C5 and C6 are unacceptable Quality Rating of Q6 is unacceptable	
Condo Project Approval	MMI does not offer PERS (Project Eligibility Review Service) as a condo project approval option	
Condos	New construction condos, newly converted condos, and non-warrantable condos are ineligible.	
Condo Conversions	Conversion projects must be 3 years since conversion (determined by recording date on master deed) and meet GSE definition of an Established Project	
<i>Credit</i>	Minimum Score	Minimum 620 mid score required Borrowers with no score are not eligible.
	Departure Residence	If the borrower's current primary residence is pending sale, but the transaction will not close with title transfer to the new owner prior to the subject transaction, and the borrower is purchasing a new principal residence, both the current PITIA and the proposed PITIA must be used in qualifying the borrower for the new mortgage loan unless the home is being sold under an employment relocation program
<i>Income</i>	Ineligible Income Sources	Projected earnings are ineligible for qualifying income
	4506T	Tax Return Verifications will be processed on all loans

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Refinances	Max Cash Out	Max cash in hand on a cash out refinance is: \$250,000 (if < 680 score) // Unlimited (if ≥ 680 score)
	Student Loan Cash Out Refi	Fannie Mae’s student loan cash out refinance loan is ineligible
	PACE/HERO Loans	PACE loans are required to be paid off, and cannot remain outstanding after closing.
Private Mortgage Insurance (PMI)	Coverage Restrictions	Reduced coverage not permitted
		Borrower-paid single premium cannot be financed
	Credit Score	Split premium not available Minimum 660 mid score required for LPMI
General Provisions	Identity Documentation	All borrowers must have a valid SSN. Individual Tax Identification Numbers (ITINs) are not permitted.
	Exposure	Maximum 4 loans to an individual borrower with MiMutual
ARMs	Available Terms	5/1 and 7/1 ARM available (30 year term)
DU Refi Plus	Available Terms	10, 15, 20, 25, 30 year fixed rate. ARMs ineligible
	Collateral	No manufactured homes or CoOps
	Mortgage Insurance	Only loans that do not require mortgage insurance are eligible
	Underwriting	Must be AUS approved. Manual underwriting not permitted
Repair Escrows	Amount of Repairs	Minimum: \$500 Maximum: \$5,000 on existing construction
	Eligible Repairs	Minor conditions or deferred maintenance items may be remedied. Any items that affect the safety, soundness, or structural integrity of the property are ineligible.
High Balance	Term	10, 15, 20, 30 year fixed rate. 5/1 and 7/1 ARMs available
	Credit Score	Minimum 660 required
	Underwriting	Must be AUS approved. Manual underwriting not permitted
HomeReady	Eligible Terms	10, 15, 20, 30 year fixed rate. 5/1 and 7/1 ARMs available
	MI	Standard Coverage only
	Minimum Score	Minimum 640 is required
	Collateral	CoOps and manufactured homes are not eligible
	Underwriting	Must be AUS approved. Manual underwriting not permitted

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Home Possible / Home Possible Advantage	Eligible Terms	Fixed rate mortgages, 5/1 and 7/1 ARMs (30 year amortization)
	MI	Standard Coverage only
	Credit Score	Minimum 640 required
	Collateral	CoOps and manufactured homes ineligible
	Underwriting	Approve/Eligible required. Manual UW ineligible
	Ineligible Features	Temporary subsidy buydowns
		Construction Conversion and Renovation Mortgages
		RHS Leveraged Seconds
HomeStyle Renovation	Available Terms	15 and 30 year fixed rate only. ARMs ineligible. High Balance permitted
	Underwriting	Approve/Eligible recommendation required. Manual UW ineligible
	Ineligible Collateral	Manufactured homes
	Ineligible Transactions	When borrower is related to or employed by the contractor or the company doing the renovation
		Second home and investment property transactions that involve non-arm's length and/or identity of interest characteristics
		Loans subject to TX 50(a)(6) guidelines
	Ineligible Programs	HomeStyle Energy
		HomeStyle Reno in conjunction with the HomeReady program
	Ineligible Borrowers	Non-profit investor borrowers
		Individual investor borrowers
		Local government agencies as borrowers
Assets	Gifts of Equity are ineligible	
	MiMutual will not escrow for mortgage payments that come due during the renovation period. The payment on the subject, as well as any housing expense that exist for another residence during construction must both be included in the debt ratio, or the borrower must document sufficient (additional) assets to cover the temporary housing payment for the number of months that construction will be taking place	
Mortgage Insurance	Borrower-paid financed MI is not permitted	

HomeStyle Renovation (cont'd)	Ineligible Repairs	"Do-It-Yourself" borrower repairs
		Repairs that would result in work not beginning within 30 days of closing
		Razing/demolishing a home and rebuilding
		Moving an existing dwelling to a new site/foundation
		Replacement of an old/damaged foundation
	Any repairs that take greater than 9 months to complete	
	Contingency Reserve	The contingency reserve may not be waived on single family residences
	Consultant Requirements	A HUD-approved consultant must be used when repairs exceed \$15,000 and/or when any structural work is required