



UHM Third Party Originator OVERLAYS for FNMA/FHLMC Delivery

Last Reviewed: 05/29/2024

Exclusions

- Manual underwriting is not permitted.
- No Co-Ops.
- High Balance Investment Property.

Minimum Loan Amount

Wholesale/Correspondent

\$50,000 (due to ATR/QM Qualifications)

Underwriting

- **Extenuating Circumstances:** Shorter waiting periods for serious delinquencies that rely on Extenuating Circumstances must be sold to Fannie Mae. No exceptions for Freddie Mac.
- **Property Condition:** Subject property condition cannot be fair or poor and must be C-4 or better condition.
- **High-Balance Loans:** The minimum credit score for high-balance loans is 640.

Maximum Number of Loans Per Borrower(s)

UHM Overlay limits the number of financed properties with UHM to 6 total properties for any one borrower.

Credit Scores

- **FNMA Minimum FICO:** 620 with AUS Approve/Accept.
- **FHLMC Minimum FICO:** 600 AUS Approve/Accept.
- No Score Borrowers may still be allowed with an AUS Approve/Eligible.

Credit Score Methodology

The following criteria may be used to determine each individual borrower's Credit Score using the "middle/lower" method:

- If there are three valid credit scores for a borrower, the middle score (numerical middle of the three scores) is used.
- If there are three valid scores for a borrower but two of the scores are the same, the duplicate score is used.
- If there are two valid scores for a borrower, the lower of the two scores is used.
- If there is one valid score for the borrower, that score is used.