



# UHM Third Party Originator OVERLAYS for FNMA/FHLMC Delivery

Last Reviewed: 01/24/2023

## Exclusions

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

## Minimum Loan Amount

<b>Wholesale/Correspondent</b>
\$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.

## Maximum Number of Loans Per Borrower(s)

UHM Overlay limits the number of financed investment properties with UHM to 4 units and 6 total properties for any one borrower. Refer to Section 404.0 of the TPO Lending Guide in UHMGo! for specific parameters.

## 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.

## Profit & Loss Requirements

Last Return Filed	Applications dated between January 1, 2023, and February 1, 2023	Applications dated between February 2, 2023, and April 18, 2023	Applications dated on or after April 18 <sup>th</sup> , 2023
2021	A Profit & Loss covering through Q3 of 2022 is required.	A full Profit & Loss that covers 2022 is required.	A 2023 YTD Profit and Loss is required, along with a P&L that covers 2022. Proof of the extension and a tax transcript indicating ‘no record found’ is required.
2022	YTD Profit and Loss is only required per underwriter discretion.		