

# SINGLE CLOSE LOANS UNDERWRITING OVERLAYS

VA - 620	NO OVERLAYS!!
USDA - 640	Accept/Eligible only, ratios 29/41% must meet USDA ratio waiver requirements
FHA - 640	<ul style="list-style-type: none"><li>• Non-Occupying co-borrowers not allowed</li><li>• Loan officer must attend Single Close Loan training</li><li>• Builder must be NCF/GSF approved prior to loan submission</li><li>• Max DTI 45% if the borrower owned the land greater than 6 months</li></ul>
FHA CREDIT SCORE 639-620 CREDIT WILL BE REVIEWED CASE BY CASE FOR EXCEPTIONS	<ul style="list-style-type: none"><li>• Housing verification required 12 months no late payments</li><li>• No late payments in the last 12 months on all trade lines</li><li>• Debt ratios over 31/43% must follow HUD compensating factor guidelines</li><li>• 2-year employment history with no gaps in employment</li><li>• Non-Occupying Co-borrowers not allowed Required</li><li>• 5% Down Payment no gifts</li><li>• 3 months liquid reserves</li><li>• MAX DTI 45%</li></ul>

## FHA ALLOWABLE COMPENSATING FACTORS

**RATIOS 34/47%**

One of the following:

- 3 months verified and documented cash Reserves
- Minimal increase in housing payment
- Residual income

**OVERLAYS ALL PROGRAMS**

- No relationship between the borrower and builder
- No panel, log, bamboo, metal, or out of the ordinary homes
- Max loan amount within conforming loan limits
- No subordinate financing
- Borrower cannot act as the General Contractor
- If the home and improvements will sit inside a flood zone then the builder will have to complete an “Initial Elevation Cert” to give us the BFE (Base Flood Elevation) to verify the property will be above the 100 year flood plain.



Should you have any questions regarding this, please don't hesitate to contact Nicole Giese at 262-957-8905 or by email at [ngiese@gogsf.com](mailto:ngiese@gogsf.com).