



Memorandum

TO: NIFA Participating Lenders
FROM: Jacki Young, Chief Homeownership Officer
DATE: June 28, 2017
SUBJECT: Memo #17-08, Improved Credit Underwriting Overlays

NIFA and U.S. Bank Home Mortgage are pleased to announce improved credit underwriting overlays for government and conventional loans in our program.

The improved overlays are effective for all loan reservations processed in Lender Online on and after July 1, 2017. Attached is an updated Summary of Credit Underwriting Overlays for your reference. The summary is not inclusive of all guidelines and Participating Lenders should always take into account any loan underwriting guidelines that are more restrictive.

If you have any questions, please let us know.



Single Family Program Summary of Credit Underwriting Overlays

GOVERNMENT LOANS – FHA, USDA RURAL DEVELOPMENT & VA

Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU, LP or GUS	640-659	45% total DTI
Loans approved by DU, LP or GUS	660 & above	50% total DTI
Loans not approved by DU, LP or GUS (underwriter downgrade to manual)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

*Manufactured housing not allowed.

CONVENTIONAL LOANS – MAXIMUM 97% LTV

Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU	640-659	45% total DTI
Loans approved by DU	660 & above	50% total DTI
Loans not approved by DU (underwriter downgrade to manual)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

*Condominium projects with a 95.01-97% LTV allowed if approved by U.S. Bank Home Mortgage and meets Fannie Mae guidelines. Participating Lenders with delegated project approval authority can approve condominium projects with a 95% LTV or less subject to Fannie Mae guidelines. Manufactured housing not allowed.

Please note this is only a summary of credit underwriting overlays and is not inclusive of all guidelines. In addition to the above, Participating Lenders are responsible for all loans satisfying NIFA program guidelines, U.S. Bank guidelines, agency guidelines, PMI guidelines (if applicable) and secondary market guidelines.