



## **Correspondent Program Overlays**

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Topic	Conventional Loan Policy Overview	FNMA	FMHLC
		Applies to	
Temporary Buydowns	Not Permitted	x	x
Borrower Eligibility	<ul style="list-style-type: none"> <li>Loans closing in the name of a trust must meet one of the residency statuses defined in the <a href="#">Residency and Eligibility Guide</a></li> <li>Loans must meet the requirements of the Residency and Eligibility Guide</li> </ul>	x	x
AUS and Underwriting	Desktop Underwriter (DU) with 'Approve/Eligible' finding is required	x	
	Loan Prospect Advisor (LPA) with LPA 'Accept' recommendation is required		x
	Manual underwriting is not permitted	x	x
Minimum Credit Score	Minimum 620		x
Credit	Use of non-traditional credit is not acceptable	x	x
Ineligible Products	HomeStyle Renovation Mortgages/Energy Mortgages Construction to Perm Mortgages; Single Close Transactions Temporary Buydowns Interest Only Loan Program HUD184	x	x
Employment/Income Verification	Transcript Requirements: <ul style="list-style-type: none"> <li>Tax transcripts are required in the following circumstances:                             <ul style="list-style-type: none"> <li>When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:                                     <ul style="list-style-type: none"> <li>Self-employment income</li> <li>Rental Income</li> <li>Employment by Family Members</li> <li>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</li> </ul> </li> <li>When a written VOE form 1005 is used as standalone income verification</li> <li>When amended tax returns have been filed, tax transcripts are required and must support the amended income</li> </ul> </li> <li>A 4506-C or 4506-T form is required to be signed at closing for all transactions; however, all loans delivered to CLS on or after 2/18/2021 will require the 4506-C form to be signed at closing</li> </ul>	x	x
			x



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[www.lakeviewcorrespondent.com](http://www.lakeviewcorrespondent.com)

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	<ul style="list-style-type: none"> <li>When purchasing or refinancing a 2-4 unit primary residence or a 1-4 unit investment property, the borrower must currently own a primary residence in order to use rental income from the subject property for qualifying purposes.</li> </ul>	x	
Ineligible Properties	Manufactured Homes Co-ops	x	x
	Community Land Trusts	x	x
Appraisals	A successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac is required. CLS will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.	x	x
	Loans in disaster impacted areas - see Special Products Seller Guide for re-inspection requirements	x	x
	Appraisal Condition rating of a C5	x	x
	Hybrid appraisals and the Property Data Report (PDR) are not permitted	x	x
Condominiums/PUDs	PERS Approval is not permitted	x	
Geographic Restriction	Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted	x	x
State Restriction	Transactions in the State of Texas subject to 50(a)(6) are not permitted		x
High Cost Loans	Community Loan Servicing will not purchase High Cost Loans	x	x
Down Payment & Closing Cost Assistance	Down payment and closing cost assistance subordinate financing is not permitted	x	x



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<b>Seasoning Requirements</b>	Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to CLS for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by CLS within 60 days of the note date.	x	x
<b>Mortgage Insurance</b>	Reduced MI is not permitted	x	
<b>Escrow Waivers</b>	<ul style="list-style-type: none"> <li>• Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV</li> <li>• Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required</li> <li>• Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions</li> </ul>	x	x



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## Version Control

Author	Section	Date	Update
DH	All	12/03/19	Created Correspondent Bayview Overlay Matrix
AM	Employment/Income Verification	01/09/20	For borrowers in the military, a Leave and Earnings Statement [LES], dated within 30 days prior to the note date, is acceptable in lieu of a verbal verification of employment
DH	Employment/Income Verification	03/19/20	Revised rental income overlay to include refinance transactions
DH	Various	12/10/20	Updated references throughout to reflect Community Loan Servicing
DH	Employment/Income Verification	12/23/20	A 4506-C or 4506-T form is required to be signed at closing for all transactions; however, all notes dated on 3/1/21 or after will require the 4506-C to be signed at closing.
MM	Employment/Income Verification	2/18/21	A 4506-C or 4506-T form is required to be signed at closing for all transactions; however, all loans delivered to CLS on or after 2/18/2021 will require the 4506-C form to be signed at closing.
MM	Max Loan Amount	8/19/21	Removed: <i>Maximum loan amount is \$1,000,000</i>
AS	Employment/Income Verification	11/24/21	Removed: For borrowers in the military, a Leave and Earnings Statement [LES], dated within 30 days prior to the note date, is acceptable in lieu of a verbal verification of employment.
AS	Borrower Eligibility	10/07/22	Clarified: Loans must meet the requirements of the Residency and Eligibility Guide
AS	Ineligible Product	12/09/22	Added: HUD184
AS	Ineligible Property	12/09/22	Removed: Group Homes
AS	Appraisals	03/08.23	Hybrid appraisals and the Property Data Report (PDR) are not permitted at this time
SG	Appraisals	03/29/23	Added: Hybrid appraisals and the Property Data Report (PDR) are not permitted at this time under FNMA



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