



DSHA Government Program



The DSHA Government Program is a partnership program between Lakeview Loan Servicing and the Delaware State Housing Authority with the goal of providing quality, affordable housing opportunities.

DSHA Government Program

Red indicates a change from previous matrix.

Overlays to Investor guidelines are underlined and in italics



DSHA Government Matrix				
Fixed Rate Purchase				
Occupancy	Number of Units	Maximum LTV (CLTV per investor guidelines)	FICO	DTI ¹
Primary Residence	1- 4 Units	FHA: 96.5%	620	Evaluated and determined by AUS
	Manufactured		660	
	1-4 Units	VA: 100% ²	620	Evaluated and determined by AUS
	1 Unit	USDA: 100% ²	620	Evaluated and determined by AUS
¹ FHA Manual downgrade is limited to 43% DTI, (see AUS section for full details) ² Exclusive of Financed Guaranty/Funding Fees				
Loan Product				
Eligible Products/Terms	30 Year Fixed Rate Only <ul style="list-style-type: none"> FDE 300: FHA 30 Year Fixed Rate <ul style="list-style-type: none"> 203b VDE 300: VA 30 Year Fixed Rate UDE300**: USDA 30 Year Fixed Rate **Discount points are permitted only per DSHA guidelines and USDA SFH Guaranteed Loan Program Handbook (HB-1-3555) requirements			
Income Limits	<ul style="list-style-type: none"> Refer to DSHA guidelines for income limits 			
Ineligible Product Types	<ul style="list-style-type: none"> FHA <ul style="list-style-type: none"> <u><i>Good Neighbor Next Door</i></u> <u><i>HUD \$100 Down with Repair Escrows</i></u> USDA <ul style="list-style-type: none"> <u><i>Rural Energy Plus Loans</i></u> <u><i>Single Close Construction</i></u> VA <ul style="list-style-type: none"> <u><i>Alteration and Repair Loans</i></u> 			
Purchase Price Limits/Maximum Loan Amount	<ul style="list-style-type: none"> Follow the lessor of investor guidelines or DSHA guidelines for the county in which the property is located 			



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Contact Us

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Loan Purpose	<ul style="list-style-type: none"> • Purchase
Occupancy	<ul style="list-style-type: none"> • Primary residence, owner occupied only • Borrowers and spouses must reside in the U.S and occupy the property as their primary residence within 60 days of closing
Temporary Buy Downs	<ul style="list-style-type: none"> • Not permitted
Eligibility	
Borrower Eligibility	<ul style="list-style-type: none"> • Acceptable Residency statuses: <ul style="list-style-type: none"> ◦ US Citizen(s) ◦ Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the <u>Lakeview Loan Servicing Seller Guide</u> or the <u>Residency and Eligibility Guide</u> <ul style="list-style-type: none"> ▪ FHA and VA: DACA Borrowers are eligible- See Residency and Eligibility Guide for full requirements ▪ USDA: DACA Borrowers are ineligible • <u>Loans to Limited Liability Corporations are not permitted.</u>
Homebuyer Education Requirements	<ul style="list-style-type: none"> • Refer to DSHA guidelines
Co-Signers/Non-Occupant co-borrowers	<ul style="list-style-type: none"> • <u>Non-resident co-borrowers are permitted for credit purposes only</u> • <u>Co-borrowers may not be used to qualify for financing when the primary borrower's income is insufficient to meet DTI requirements</u>
Non-Arm's Length Transactions	Per Investor Guidelines
Credit	
AUS	<p>FHA:</p> <ul style="list-style-type: none"> • Fannie Mae Desktop Underwriter (DU) with 'Approve / Eligible' or Freddie Mac Loan Prospect Advisor (LPA) with 'Accept' recommendation. • <u>Manual Underwriting is permitted subject to the following:</u> <ul style="list-style-type: none"> ◦ <u>as long as the overall insurability and/or eligibility of the loan is not effected</u> ◦ <u>the loan receives a refer/eligible recommendation</u>





	<ul style="list-style-type: none"> o <u>the loan receives an approve or accept/eligible recommendation but it requires a downgrade due to additional information not considered in the AUS decision.</u> o <u>43% maximum DTI</u> o <u>660 FICO for all borrowers</u> o <u>Manufactured Homes: manual underwriting is not permitted</u> o <u>203(k) and Limited 203(k): manual underwriting is not permitted</u> <p>VA:</p> <ul style="list-style-type: none"> • <u>Fannie Mae Desktop Underwriter (DU) with 'Approve / Eligible' or Freddie Mac Loan Prospect Advisor (LPA) with 'Accept' recommendation.</u> • <u>Manual underwriting is not permitted</u> <p>USDA:</p> <ul style="list-style-type: none"> • GUS with 'Accept/Eligible' findings is required • <u>Manual Underwriting is not permitted</u> <p>Other customized automated underwriting systems are not permitted.</p>
Underwriting Authority	<ul style="list-style-type: none"> • Delegated underwriting only <ul style="list-style-type: none"> o Non-delegated underwriting not permitted
FICO Requirements	<ul style="list-style-type: none"> • All borrowers must have a <u>620</u> minimum credit score subject to an AUS approval with the following exception: <ul style="list-style-type: none"> o FHA manufactured housing requires a 660 minimum FICO o 203(k) loans-See 203(k) matrix for FICO requirements
Non-Traditional Credit	<ul style="list-style-type: none"> • Not permitted
Significant Derogatory Credit	<ul style="list-style-type: none"> • Refer to Investor Guidelines <p>USDA</p> <ul style="list-style-type: none"> • <u>For borrowers in Consumer Credit Counseling, Chapter 12 or Chapter 13 Bankruptcies, The applicant must obtain written permission from the credit agency or bankruptcy court/trustee, as applicable, to enter into the mortgage transaction. If permission is not obtained, the loan is ineligible for purchase.</u>
DTI	<ul style="list-style-type: none"> • Evaluated and determined by AUS
Employment/Income	
Employment/Income Verification	<ul style="list-style-type: none"> • Follow AUS and first mortgage program guidelines, including all additional guidelines and diligence requirements for income and employment verification. • All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict. • A 4506-C form is required to be signed at closing for all transactions • <u>Transcript Requirements:</u>





	<ul style="list-style-type: none"> W-2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources. <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> <u>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:</u> <ul style="list-style-type: none"> <u>Self-employment income</u> <u>Rental income</u> <u>Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)</u> <u>When a written VOE form 1005 is used as standalone income verification.</u> <u>Employment by family members</u> <u>When amended tax returns have been filed, transcripts are required and must support the amended income</u> <p>**Additional documents, (i.e. copies of cancelled checks for IRS Payment/IRS refund, or electronic filing receipt from the IRS indicating the Submission Identification Number (SID) and AGI that matches the return) may be required on a case-by-case basis.</p> <p><u>USDA</u></p> <ul style="list-style-type: none"> A signed 4506-T is required for all borrowers and adult household members that will reside in the home (with the exception of full time students if they are not the applicant, the spouse of the applicant or the head of household) The previous two years of IRS 1040 transcripts are required for each borrower and all adult household members (with the exception of full time students if they are not the applicant, the spouse of the applicant or the head of household)
Assets/Reserves	
Asset Documentation	<ul style="list-style-type: none"> Asset documentation must comply with the requirements of AUS findings and the FHA, USDA and VA Handbooks as applicable <u>VOD as standalone document is not permitted</u>
Financing Concessions	<ul style="list-style-type: none"> Permitted in accordance with FHA , USDA or VA guidelines
Borrower Contribution	<ul style="list-style-type: none"> Per Investor guidelines
Subordinate Financing	
Subordinate Financing/Down Payment Assistance	<ul style="list-style-type: none"> Refer to DSHA guidelines for subordinate financing requirements





Property/Appraisal	
Eligible Property Types	<ul style="list-style-type: none"> • 1- 4 unit primary residences • Townhomes • PUDs in accordance with investor guidelines • Condominiums in accordance with investor guidelines • Leaseholds (FHA only) <p>Manufactured homes (FHA ONLY)</p> <ul style="list-style-type: none"> ◦ Minimum 660 FICO ◦ AUS: Approve/Eligible – manual underwrite not permitted ◦ Single wide manufactured homes not eligible ◦ <u>Leaseholds not eligible</u>
Ineligible Property Types	<ul style="list-style-type: none"> • <u>Cooperatives</u> • <u>Group Homes</u> • <u>Community Land Trusts</u> • Mobile Homes • Working Farms and Ranches • Unimproved Land • Timeshares • Condotels • Hotel Condominiums • Unimproved land • Geodesic Domes
Appraisal Requirements	<p>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted.</p> <ul style="list-style-type: none"> • FHA - Refer to HUD Handbook 4000.1 <ul style="list-style-type: none"> ◦ Appraisers must be on FHA Connection with State Certification designation of Certified General or Certified Residential ◦ Appraiser must comply with the FHA Appraisal Independence Policy • VA - Refer to the VA Lender's Handbook <ul style="list-style-type: none"> ◦ All appraisals must be ordered through VA's WebLGY (The Appraisal System), which will assign the order to a VA approved Appraiser -include an interior and exterior inspection of the subject property ◦ A notice of value for property appraised as existing or new construction is valid for six months. Rapidly fluctuating real estate market conditions may temporarily dictate the use of a shorter validity period. ◦ No new Appraisal can be requested on a property which already has a valid VA value determination (No duplicate appraisals) • USDA- Refer to the USDA SFH Guaranteed Loan Program Handbook





	<ul style="list-style-type: none"> o The appraisal must have been completed within six months of the date of the request for a conditional commitment o Appraisal transfers must be executed in accordance with USDA SFH Guaranteed Loan Program Handbook (3555) o Reuse of an appraisal from a prior transaction is not permitted
Appraisal Transfers	<ul style="list-style-type: none"> • FHA <ul style="list-style-type: none"> o Appraisal transfers must be executed in accordance with HUD Handbook 4000.1 • VA <ul style="list-style-type: none"> o Appraisal transfers must be executed in accordance with the VA Lender's Handbook • USDA <ul style="list-style-type: none"> o Appraisal transfers must be executed in accordance with USDA SFH Guaranteed Loan Program Handbook (3555)
Appraisal Re-Use	<ul style="list-style-type: none"> • FHA <ul style="list-style-type: none"> o The re-use of an appraisal under another case number is not permitted • VA <ul style="list-style-type: none"> o The re-use of an appraisal under another loan identification number is not permitted • USDA <ul style="list-style-type: none"> o The re-use of an appraisal from a prior transaction is not permitted
Limited 203(k) Product	<ul style="list-style-type: none"> • May only be used for minor remodeling and non-structural repairs. • Does not require the use of a 203(k) Consultant, but a Consultant may be used. • The total rehabilitation cost must not exceed \$35,000. There is no minimum rehabilitation cost. • All improvements to existing Structures must comply with HUD's Minimum Property Requirements and meet or exceed local building codes. • Time frame for completion of repairs not to exceed six months. • Work completed must be on the 203K Limited Eligible Improvement/Repairs list • Follow FHA Handbook 4000.1 203k Limited guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation • Lenders must handle all disbursements and are responsible for release of escrow and closing out the loans in FHA Connection
Disaster Area Requirements	<ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> o FEMA Major Disaster Declarations with designated counties eligible for individual assistance (IA); o Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; o Areas where the Seller has reason to believe that a property might have been damaged in a disaster





	Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster.
Escrow Holdbacks	<ul style="list-style-type: none"> Escrow holdbacks in accordance with all DSHA guidelines are permitted for outstanding minor repairs for incomplete construction or for alterations and repairs that cannot be completed prior to loan closing provided the subject property is habitable and safe for occupancy at the time of closing <ul style="list-style-type: none"> <u>VA Loans: Escrow holdbacks are not permitted for Minimum Property Requirements (MPR) and/or any repair that delays the guarantee of the loan file</u> Follow investor guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation It is the Seller's responsibility to forward final completion documents to Lakeview Loan Servicing per investor guidelines Loans with outstanding escrow repairs must not impact Lakeview Loan Servicing's ability to deliver/sell the loan to Ginnie Mae The correspondent lender or designated escrow company will be responsible for managing and disbursing the escrows The correspondent lender shall deliver loans that were originated in accordance with the first mortgage investor guidelines. Correspondent lender or designated escrow company is to retain the escrow funds until all improvements have been completed. Lender to provide Lakeview Loan Servicing confirmation of all work completed and that escrow funds have been released.
Geographic Restrictions	<ul style="list-style-type: none"> State of Delaware
Special Restrictions	
High Cost Loans	<ul style="list-style-type: none"> <u>Lakeview will not purchase High Cost Loans.</u>
Higher Priced Mortgage Loans (HPML)	<ul style="list-style-type: none"> Lakeview will purchase HPML in accordance with FHA, VA, or USDA guidelines
Assumptions	<ul style="list-style-type: none"> Permitted in accordance with investor and DSHA guidelines
Multiple Financed Properties	<ul style="list-style-type: none"> Permitted per investor guidelines





Insurance	
Mortgage Insurance	<ul style="list-style-type: none"> • Per Investor guidelines
Other Considerations	
Age of Documents	<ul style="list-style-type: none"> • All credit documents must be dated within 120 days of the note date • Preliminary title policies must be no more than 180 days old on the date the note is signed
Assignment of Mortgage	<ul style="list-style-type: none"> • All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to selling guide for transfer requirements.
Seasoning	<ul style="list-style-type: none"> • See Lakeview Loan Servicing Seller Guide
Escrow Waivers	<ul style="list-style-type: none"> • <u><i>Escrow accounts for property taxes, homeowner's insurance and flood insurance (if applicable) are required on all loans.</i></u>
Forbearance	<p>Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an "active" forbearance status prior to purchase by Lakeview Loan Servicing.</p>
<p>Seller shall deliver loans that were originated in accordance with FHA, USDA, or VA guidelines as applicable, unless otherwise stated with this product matrix. **In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of DSHA, FHA, USDA, or VA,(as applicable), Lender or Lakeview Loan Servicing.</p>	





Version Control			
Author	Section	Date	Update
SG	Property Eligibility	3.8.23	Removed FHA SUA overlay
SG	Employment/ Income Verification	4.19.23	Added clarifying language: regarding transcripts • Additional documents, (i.e. copies of cancelled checks for IRS Payment/IRS refund, or electronic filing receipt from the IRS indicating the Submission Identification Number (SID) and AGI that matches the return) may be required on a case-by-case basis.
SG	203(k)	5.17.23	Removed: Reference to 203k matrix Added: Lakeview limited 203k guidelines
SG	Eligible Products/Terms	5.17.23	Removed product codes: FDE 203: FHA Standard 203(k) & FDE 202: FHA Limited 203(k)
SG	Borrower Eligibility	8.16.23	Removed that borrower must be a DE resident

