

TOWNE MORTGAGE COMPANY

BULLETIN

TO: Our Valued Clients

DATE: March 17, 2016

SUBJECT: Agency Overlay Policies

BULLETIN: 16-06

***** IMPORTANT NOTICE *****

We are pleased to announce that we have made more changes to our Agency Overlay Policies and greatly simplified the Overlay document. Below are changes which become effective immediately.

- References to minimum credit scores have been removed from the Overlays. We have modified our policies on minimum credit scores for FHA Streamline Refinances and VA loans which are posted with our FHA Streamline and VA program guidelines.
- Thin credit: directs you to follow FHA's insufficient credit guidelines for both FHA and VA borrowers with thin credit.
- Removed manual underwriting overlay references. Loans MUST meet ALL individual program guidelines for manual underwriting. Also see VA Program guidelines.
- Ratios: Removed reference to DTI in the 45-50% bucket for FHA loans.
- Gift funds: Removed overlay. Agency guidelines apply
- Manufactured housing: Now available for all programs. Must meet ALL individual program guidelines.
- VA IRRL: Added program reference and overlays. Program guidelines and overlays are posted.
- Escrow waiver policy – removed the restrictions for investment properties.

All guidelines have been updated and posted to our website. Please contact your Account Executive with any questions.

Thank you,
Operations Group
Towne Mortgage Company