

**U.S. Bank Consolidated Government Overlays applicable to Non-Delegated Housing Finance Agency Lending Division (as of 06/22/2022)**

To mitigate the risk on the loans we purchase, U.S. Bank Home Mortgage has overlays to Government guidelines (i.e. FHA, VA and USDA/RD). Currently, U.S. Bank does not provide any Non-Delegated products for FHA and USDA/RD

- An "X" in the investor column indicates that the overlay applies to loans submitted under a lender's non-delegated underwriting authority.
- The Overlay Descriptions are summarized alphabetically by subject in each section.
- References are not all-inclusive and this document should be used in conjunction with the HFA Lending Guide. For complete product guidelines, refer to the applicable product and underwriting guidelines within our seller guide.
- Items added, removed or modified are referenced in the Seller Guide Update that are released along with the most recent version of the Matrix.
- If there are conflicts between the Overlay Matrix and the Underwriting and/or Product Guidelines, follow the Underwriting and/or Product Guidelines.

| Section   | Overlay Description   | VA |
|---|---|----|
| <b>Underwriting Guideline Overlays applicable to Non-Delegated Underwriting Authority</b> |   |    |
| <a href="#">500 Product Guidelines</a>  | Debt-to-Income (DTI)<br>Maximum DTI requirements are stated within the HFA specific product guides  | X  |
| <a href="#">500 Product Guidelines</a>  | FICO<br>Minimum FICO score requirements are stated within the HFA specific product guides Section 500   | X  |
| <a href="#">500 Product Guidelines</a>  | manufactured housing<br>See HFA specific Product Guide for Manufactured Housing Product Type, LTVs, DTIs and FICO score requirements. U.S. Bank Home Mortgage will not make or purchase loans that are single-wide manufactured homes.  | X  |
| <a href="#">712.02 Underwriting Documentation</a>   | Debt-to-Income (DTI)<br>For non-delegated loans underwritten by U.S. Bank, Underwriters should comment on the 1008 and/or another underwriting loan summary form on their assessment of the sufficiency of borrower's income to repay the loan for DTIs > 43%.  | X  |
| <a href="#">712.05 Eligible Borrowers</a>   | TRUSTS<br>1. Refer to the specific HFA's Guideline<br>Foreign Income<br>2. If the property is currently in the name of the borrower, Trust the loan may place in the trust as long as the trust meets all U.S. Bank   | X  |
| <a href="#">712.06 Effective Income</a>   | Income from High Risk Countries will be accepted on the all transactions except the following:<br>• Cash-Out Refinances<br>• 2nd Homes<br>• Investment Properties<br>• Loans requiring Gift Funds sourced from a High-Risk Country  | X  |
| <a href="#">712.06 Effective Income</a>   | Self Employed Business Verification<br>At time of underwriting, the file must contain verification, no more than calendar 30 days prior to note date, of the existence of the business for at least two years from a third party source such as a regulatory agency, phone directory, the Internet, or applicable licensing bureau.   | X  |
| <a href="#">712.08 Funds for Closing</a>  | Foreign Assets<br>Assets from High Risk Countries will be accepted on the all transactions except the following:<br>• Cash-Out Refinances<br>• 2nd Homes<br>• Investment Properties<br>• Loans requiring Gift Funds sourced from a High-Risk Country<br>U.S. Bank Home Mortgage will require any loan with assets or income from a High-Risk Country to be underwritten by U.S. Bank. | X  |
| <a href="#">712.08 Funds for Closing</a>  | Large Deposit Defined<br>Any deposit in any one month that is greater than 1% of Sales Price must be verified and sourced.  | X  |
| <a href="#">712.08 Funds for Closing</a>  | Seller paying borrower debts and property gifts<br>Not allowed.   | X  |
| <a href="#">712.09 Credit/Debt Underwriting</a>   | Adverse Credit/ Recovery Time Periods<br>Deed-in-lieu or short sale require a two-year period from transfer of title to new application.  | X  |

| Section  | Overlay Description   | VA |
|--|---|----|
| <a href="#">712.09<br/>Credit/Debt Underwriting</a>  | Delinquent Credit<br><br>All judgements are required to be paid off; Credit with collections not scored by AUS requires a downgrade.  | X  |
| <a href="#">712.09<br/>Credit/Debt Underwriting</a>  | Non-Borrowing Spouse Debt<br><br>The underwriter must count all debt for non-borrowing spouse in Community Property States regardless if they volunteer income information.<br><small>Manual Underwriting</small>   | X  |
| <a href="#">712.09<br/>Credit/Debt Underwriting;<br/>500 Product Guidelines</a>  | 1. Minimum two months PITIA reserves after closing (or per product guide if greater)<br>2. No manufactured homes<br>3. See specific FHA Product Guide as additional restrictions may apply.   | X  |
| <a href="#">712.09.1<br/>Recovery Time Periods for<br/>Reestablishment of Credit<br/>after Bankruptcy,<br/>Foreclosure, Short Sale</a> | Recovery Time Periods for Reestablishment of Credit Financial Mismanagement<br><br>Deed-in-lieu or short sale require a two-year period from transfer of title to new application.  | X  |
| <a href="#">712.10<br/>Monthly Payment Escrows</a>   | Monthly Housing Payment<br><br>Special Levied Assessments - U.S. Bank requires these monthly assessment amounts be added to the qualifying PITIA.<br><small>VA RRRL (Not Serviced by U.S. Bank)</small>   | X  |
| <a href="#">712.12<br/>VA Refinance Loans</a>  | 1. Tri-merged credit report required.<br>2. No Investment or Second Home permitted.   | X  |
| <a href="#">712.15<br/>Anti-Flipping Policy</a>  | Purchase Transactions<br><br>If the Seller must have taken title to the subject property more than 90 days prior to the contract date on the sale of the property to the applicant.<br><br>Resales occurring between 91-180 days with a resale price increase of 100% or more over the price the seller acquired the property will require a second appraisal. This does not have to be a VA, FHA, or USDA appraisal. | X  |
| <a href="#">712.24<br/>Secondary/Subordinate<br/>Financing</a>   | PACE Funding<br><br>Not allowed.  | X  |
| <a href="#">900.D<br/>Escrow Information</a>   | Levied Special Assessments<br><br>All levied special assessments must be included in the PITIA for proper DTI and reserve calculations.   | X  |
| <a href="#">900.H<br/>Manufactured Housing<br/>Requirements</a>  | <small>Manufactured Housing</small><br><br>ALTA 7.1 needed on manufactured homes.<br><small>Manufactured Home Limited Power of Attorney is required for loans where Title has not already been surrendered.</small>   | X  |
| <a href="#">900.M<br/>Final Documentation</a>  | Survey Exceptions<br><br>ALTA 9 required if there are survey exceptions.  | X  |



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