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No: 2017-2

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### FHA Overlay Removal

In order to better serve you, we have removed most of our FHA overlays applicable for borrowers with credit scores from 620-639.

The REMOVED overlays include:

- Borrower may not pay-off debt to qualify after the application date.
- Debt may be paid-off but not as a determining factor to meet 50% DTI.
- Borrower(s) must have 1 months PITIA in reserve, gift funds are not allowed to meet this requirement.
- Non-taxable income may not be grossed-up to meet the DTI requirement.
- Credit profile must include at least 3 trade lines rated at least 12 months.
- Rental income may not be utilized to qualify if borrower(s) are first time landlords.
- Payment shock not to exceed 150%.

ResMac will continue to cap back-end DTI ratios at 50% or less for borrowers with sub 640 credit scores. Please see the updated FHA Matrix posted at the [B2B site](#).

**Questions:** Please address all questions to: [ProductionSupport@ResMac.com](mailto:ProductionSupport@ResMac.com)