



Conforming overlays

In order to reduce the risk of the loans, JMAC Lending has credit overlays in our policy in addition to agency guidelines. Below please find a summary of these credit overlays to help you better understand them.

Please note JMAC Lending, Inc. does not manually underwrite any conforming or government loan.

Topic Guideline

Appraisal	Comparable Rent Schedule: Comparable Rent Schedule (Form 1007) and Operating Income Statement (216) must be obtained on all Single Family and 1-4 investment properties regardless AUS findings
Appraisal	Cash Out Refinances: Full appraisal required, regardless AUS findings
Asset	Business funds: When using business funds for down payment, a cash flow analysis and a CPA letter on the business is required. Maximum use of business fund is 50%
Asset	Borrower Minimum Contribution: Borrowers are required to have a minimum down payment of 5% from their own funds regardless of AUS findings.
Assets	Gift of Equity: Borrower must have 5% own funds used toward closing
Assets	No gift allowed on second home and non-owner.
Credit	Unpaid Collection: All unpaid collection must be paid unless it is medical and the amount is less than \$1,000.00. **For Non-owner and Second Home transactions, all collections must be paid.
Credit	Installment Debt: Paying down debt to less than 10 months to avoid including the debt in debt ratios is not allowed.
Credit	Mortgage Late: 0x30 days late for the past 12 months
Income	Interest Income: case by case
Income	Trust Income: case by case
DU Refi Plus	Max DTI 55%; High Balance is max at 50%.
Cash Out	<ul style="list-style-type: none"> Max cash out is 417K, regardless of AUS approval JMAC Lending Cash out title seasoning is 6 months regardless if they have the equity to do another cash-out transaction.
Eligible Borrower	Maximum Borrowers: JMAC will allow a maximum number of four borrowers on a transaction.
Eligible Borrower	Deed Restricted Properties: Properties with deed restrictions(a.k.a. Resale restrictions) are ineligible
Eligible Borrower	Multiples APN: Not allowed
Number of Financed	Financed Properties: If the subject property is a second home or

Properties	investment property, the borrower(s) can have no more than four properties financed including the subject property (combined with all borrowers)
Property Type	Manufactured Housing and COOPS: Not eligible.
Real Estate Commission	Excessive Commissions: Any aggregate real estate sales commission greater than 8% of the sales price of the subject property is considered an excessive real estate commission. The portion of the aggregate commission greater than 8% must be deducted from the sales price for underwriting purposes.
Condo Occupancy Ratio	The condo occupancy ratio is 51% owner occupied and 49% non-owner. ** Mortgage insurance requires an occupancy rate of 70% **
3-4 Unit	By Default the transaction will be considered a non-owner on refinance and purchase transaction.
Non-Occupant Co-Borrower	On a refinance transaction, the non-occupant co-borrower must be on the original note.

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