

Gateway First Bank, Correspondent Lending Overlay Matrix

Complete agency guidelines for FHA, VA, USDA, Fannie Mae, Freddie Mac, ONAP are available on their respective websites and Gateway Product Descriptions; Gateway agency guideline overlays are as follows:

Guideline	Product	Comment
APPRAISAL	All	<ul style="list-style-type: none"> Appraisal condition Ratings of C5 and C6 are ineligible
	Conventional	<ul style="list-style-type: none"> CU Score of >4.0 requires full CU Report in the loan file Texas Home Equity properties require Full Appraisal (Fannie Mae forms 1004 or 1073 (if condo), regardless of AUS Findings)
BORROWER TYPE RESTRICTIONS	All	<ul style="list-style-type: none"> Borrowers must be able to prove legal residency in the United States per Agency Guidelines Borrowers in DACA status are Eligible for FNMA loans only Social Security numbers are required. ITIN will not be accepted Life Estates Non-Permanent Resident NOT eligible for FHA and USDA
CAIVRS	FHA, VA, USDA, HUD184	<ul style="list-style-type: none"> CAIVRS must be clear (not applicable on FHA Streamline)
CANNABIS INCOME	All	<ul style="list-style-type: none"> Income associated with a cannabis business is ineligible for purchase Relates to ALL income both W2 and Self-Employment
CONDOMINIUM	All	<ul style="list-style-type: none"> Fannie Mae Form 1076 / Freddie Mac Form 476 Condominium Project Questionnaire (version addendum December 2021) is required for all Condos Prior to Purchase all Condos will be submitted to Gateway Condo Desk for review. See Condo Approval Request form on our website under Resource Center
CONSTRUCTION/ PERM	All	<ul style="list-style-type: none"> Construction/Perm single or one-time close loans which utilize a modification agreement, or a construction loan rider are ineligible, unless your OTC process has been reviewed and approved by Gateway Delegated conventional allowed with Gateway First Bank Prior Approval Client Contract Addendum
CREDIT SCORE REQUIREMENT	Conventional	<ul style="list-style-type: none"> ≥620 with AUS Approval Approve/Eligible or Eligible/Accept. Manual underwrite not allowed At least one Borrower must have a credit score. Borrower(s) with no credit score and non-traditional credit are allowed subject to agency guidelines Please use the lowest middle Representative Credit Score from the Borrower(s) with credit score(s) when pricing the loan in the GEMS system
	FHA & VA	<ul style="list-style-type: none"> ≥620 with AUS Approval & Manual Underwrite Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated Government Released Loan Programs all Borrowers must have a credit score. Non-traditional credit NOT allowed VA High Balance Released require > 700 Credit Score when loan amount > \$1,000,000



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CREDIT SCORE REQUIREMENT(con't)	USDA	<ul style="list-style-type: none"> • ≥640 with GUS Approval and Manual Underwrite • Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated • Government Released Loan Programs all Borrowers must have a credit score. Non-traditional credit NOT allowed
	HUD 184	<ul style="list-style-type: none"> • ≥620 for Manual Underwrite • Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated
DOWN PAYMENT & MORTGAGE PAYMENT ASSISTANCE	FHA, VA, HUD 184 Conventional	<ul style="list-style-type: none"> • All assistance programs must be prior approved by Gateway to meet specific agency guidelines. Only Government entity (Federal, State, County, Tribal, etc.) Approved programs considered • The originating Correspondent Lender is responsible for compliance with all assistance program guidelines, including any current or future reporting to the borrower, government, or assistance agency • Seller funded, Bond and Section 8 programs are not allowed • Third Liens not allowed
	USDA	<ul style="list-style-type: none"> • Down Payment and Mortgage Payment Assistance Programs not allowed
DTI	Conventional	<ul style="list-style-type: none"> • LPA Eligible/Accept or DU Approve/Eligible
	FHA	<ul style="list-style-type: none"> • LPA Eligible/Accept or DU Approve/Eligible • Manual Underwrite allowed up to 50% DTI, must include DU/LPA Findings • Manual Underwrite allowed >43% - 50% DTI, must include DU/LPA Findings with 2 months required reserves and meet applicable Agency guidelines including compensating factors • Government Released Programs manual underwrite is NOT allowed
	VA	<ul style="list-style-type: none"> • LPA Eligible/Accept or DU Approve/Eligible • Manual Underwrite allowed up to 41% DTI, must include DU/LPA Findings • Manual Underwrite allowed >41% - 50% DTI, must include DU/LPA Findings with residual income exceeding guidelines by at least 20% and Loan Analysis comments justifying the approval and list compensating factors • Government Released Programs manual underwrite is NOT allowed
	HUD 184	<ul style="list-style-type: none"> • 41% DTI and up to 43% DTI with compensating factors
	USDA	<ul style="list-style-type: none"> • GUS Accept • Manual Underwrite allowed up to 41% DTI and 44% DTI maximum with compensating factors • Government Released Programs manual underwrite is NOT allowed



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<p>ELIGIBLE/INELIGIBLE STATES</p>	<p>All</p>	<ul style="list-style-type: none"> • Eligible States: Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming • Ineligible States: Alaska, California, Hawaii, Maine, Maryland (Second Liens), Massachusetts, New Hampshire, New York, North Dakota, Rhode Island, Vermont
<p>ESCROW HOLDBACK</p>	<p>All</p>	<ul style="list-style-type: none"> • Released Loans - Escrow Holdbacks NOT allowed • Non-Released Loans - See Escrow Holdback Exception Request form for guidelines and case-by case possible exception. • Non-Released Loans - If not approved, Escrow Holdback must be completed prior to loan purchase, as evidenced by satisfactory Final Inspection.
<p>ESCROW WAIVER</p>	<p>Conventional</p>	<ul style="list-style-type: none"> • Flood Insurance required per Flood Certificate can NEVER be waived • Optional Flood Insurance will ALWAYS be waived • All states allowed on LTV 80% or less if all items listed are met: <ul style="list-style-type: none"> • Loan is not HPML • All states allowed on LTV >80% to <90% LTV if all items listed above are met, including these items as well: <ul style="list-style-type: none"> • Maximum DTI 40% • Minimum Credit Score 720 • Mortgage Insurance must be single premium (Lender or Borrower paid) • No bankruptcy, foreclosure, short sale or short payoff dismissed, discharged or completed in last 3 years
	<p>Government</p>	<ul style="list-style-type: none"> • Ineligible for Escrow Waivers
<p>INELIGIBLE LOAN TYPES AND FEATURES</p>	<p>All</p>	<ul style="list-style-type: none"> • Section 32, "high cost" loans (as defined by the Agencies or applicable federal or state regulation)
	<p>Conventional</p>	<ul style="list-style-type: none"> • Freddie Mac Relief Refinance Mortgage • Freddie Mac Heritage One Mortgage Loans • Fannie Mae Homestyle



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INELIGIBLE PROPERTIES	All	<ul style="list-style-type: none"> Condos in litigation, Leasehold, Tribal Land, Cooperatives, Mobile Homes, Condotel, Timeshares, Group Homes, Unimproved Land, Working Farms and Ranches, Property currently in litigation, Properties with encroachments, Properties located in a Lava Zone, Properties held in a business name, Properties with resale deed restrictions (55+ Acceptable), Zoning violations (including residential properties zoned commercial), Commercial Enterprises (i.e. Bed and Breakfast, Boarding House, Hotel), Illinois Land Trusts Any unique properties must be supported by like comps 						
	USDA & HUD184	<ul style="list-style-type: none"> 2-4 Units not allowed 						
	HUD REO \$100 Down	<ul style="list-style-type: none"> 3-4 Units not allowed 						
	VA	<ul style="list-style-type: none"> VA IRRRL Released - All Manufactured Homes 						
INVESTMENT PROPERTY/SECOND HOME	All	<ul style="list-style-type: none"> TRID rules apply requiring Loan Estimate and Closing Disclosure for ALL Second Homes and Investment properties When the borrower does not own a primary residence, any investment property loan must qualify with full PITI payment No Rental Income considered for any lease executed with a family member or interested party to the transaction. See also Non-Arm's Length and Primary Residence Conversion 						
LTV/CLTV OVERLAY	Conventional-DU and LPA	<table border="0"> <tr> <td>Occupancy</td> <td>Units</td> <td>LTV/CLTV</td> </tr> <tr> <td> <ul style="list-style-type: none"> Primary 2nd Home Investment </td> <td> <ul style="list-style-type: none"> 1-4 1 1-4 </td> <td> <ul style="list-style-type: none"> Follow Agency Guidelines Follow Agency Guidelines Follow Agency Guidelines </td> </tr> </table>	Occupancy	Units	LTV/CLTV	<ul style="list-style-type: none"> Primary 2nd Home Investment 	<ul style="list-style-type: none"> 1-4 1 1-4 	<ul style="list-style-type: none"> Follow Agency Guidelines Follow Agency Guidelines Follow Agency Guidelines
	Occupancy	Units	LTV/CLTV					
<ul style="list-style-type: none"> Primary 2nd Home Investment 	<ul style="list-style-type: none"> 1-4 1 1-4 	<ul style="list-style-type: none"> Follow Agency Guidelines Follow Agency Guidelines Follow Agency Guidelines 						
Conventional-SOFR ARM and High Balance SOFR ARM	<ul style="list-style-type: none"> Maximum 90% 							
MANUFACTURED HOMES	All	<ul style="list-style-type: none"> See manufactured Homes Product Descriptions for additional overlays around credit score, LTV, ineligible properties, loan purpose, occupancy, etc. 						
MORTGAGE INSURANCE	Conventional	<ul style="list-style-type: none"> Approved MI companies: Arch, Essent Guaranty, Enact (formerly Genworth), MGIC, National MI, and Radian Unacceptable MI types: <ul style="list-style-type: none"> Lender Paid Monthly, Split or Annual Premium MI Minimum or Reduced MI requiring a loan level price adjustment regardless of AUS findings. See Product Descriptions for those products eligible for LPAMI 						
NATURAL DISASTERS	All	<ul style="list-style-type: none"> Refer to Client Guide Chapter 2 Eligible Mortgage Loans and follow Agency Guidelines 						



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NON-ARM'S LENGTH AND CONFLICT OF INTEREST	All	<ul style="list-style-type: none"> • Non-arms-length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation (any ownership interest, or employment) between the borrower, seller, lender, and/or builder/developer • Non-arms-length transactions require full documentation including 2 years federal tax returns and Fannie 1004 • Non-arms-length transactions not allowed on new construction of a second home or investment property. • No Rental Income considered for any lease executed with family member or interested party to the purchase or loan transaction
PRINCIPAL CURTAILMENTS AT CLOSING	All	<ul style="list-style-type: none"> • For all loans other than “No Cash-out” or “Limited Cash-out” refinances (excluding Texas Home Equity Refinances), a curtailment to refund the overpayment of fees or charges paid by the borrower may not exceed lesser of 2% of the loan amount or \$500 (\$250max on “DU HLTV (High LTV)),in accordance with applicable regulatory guidelines, and must be clearly reflected as a Principal Curtailment on the Closing Disclosure
RELEASED LOAN PROGRAMS	All	<p>Overlays for ALL Released Loan Programs:</p> <ul style="list-style-type: none"> • VERY IMPORTANT LOCKING MANDATORY LOANS - Loans must be purchased within 30 days of the Note date or the Purchase By date, whichever occurs first. • If the loan is closing in a Trust, it must remain revocable following the death of a trustee. • The loan must be AUS approved; Manual Underwrite is not allowed, except for IRRRL. • Each borrower must have at least one credit score. • A Fraud Report is required; alternatively, Gateway can obtain one for a \$10 fee. • Eligible loan terms include 20-, 25-, and 30-year options. • Change of Circumstances are required for any Loan Estimate and Closing Disclosure revisions. The COC must clearly detail all fee adjustments. • Payment history is required post-purchase for any payments collected by the client. • A Borrower Rate Lock Agreement (with the rate lock date) is required, along with the Loan Estimate reflecting the locked rate and expiration date. • Ineligible transactions include escrow holdbacks and one-time construction loans • Manufactured homes are ineligible for VA IRRRL
TAX RETURNS	All	<ul style="list-style-type: none"> • Amended Tax returns – Tax returns that are amended after loan application for the purpose of increasing qualifying income will not be considered by underwriting. Addition of rental income or other schedules as well as the deletion of 2106 expenses will not be taken into account. Original filings, prior to amendment will be used to calculate income
TAX TRANSCRIPTS	Second Home	<ul style="list-style-type: none"> • Second homes require tax transcripts when tax return income is used to qualify
THIRD PARTY ORIGINATORS	All	<ul style="list-style-type: none"> • TPO Client approval is granted on a case-by-case basis. This overlay matrix does not contain all of the overlays for TPO products. Approved TPO clients must also refer to their Third-Party Origination Addendum Correspondent Loan Purchase and Sale Agreement for applicable product overlays



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UNDERWRITING	All	<ul style="list-style-type: none"> • Clients are required to use the AUS System that corresponds with the selected Agency Loan Program (AUS Pure). If AUS Findings delivered do not match the Agency Locked Loan Program, pricing will be adjusted based on the delivered AUS Findings for purchase at the date/time of initial Locked Loan. The Agency locked loan program name needs to match supporting AUS Findings • Income calculation worksheet must be in the file, or explanation of how the income was calculated must be on transmittal form for delegated submissions • The Loan Officer cannot be the underwriter
	Conventional	<ul style="list-style-type: none"> • Fannie Mae DU with Approve/Eligible or Freddie Mac LPA with Eligible/Accept • Manual Underwrite not allowed • Delayed financing is not allowed for TX (a)(6)
	USDA	<ul style="list-style-type: none"> • Delegated loans must be underwritten by a Client employed underwriter and submitted through GUS • Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below USDA loans that have been manually underwritten by a client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by USDA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion • Once underwritten, file must be submitted to RD office in the state in which the property is located to obtain a Conditional Commitment Prior to closing • Manual Underwrite: Include GUS Findings if submitted to GUS • Government Released Programs manual underwrite is NOT allowed



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UNDERWRITING (con't)	HUD 184	<ul style="list-style-type: none"> • Correspondent must be approved with ONAP • Manual Underwrite by a Direct Guarantee ONAP approved underwriter • Manual Underwrite if Direct Guarantee correspondent or ONAP prior approval required • Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below HUD 184 loans that have been manually underwritten by a client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by ONAP and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion
	FHA	<ul style="list-style-type: none"> • Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, FHA loans that have been manually underwritten by a client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by FHA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion • Manual Underwrite: Include DU/LPA Findings if submitted to DU or LPA • Government Released Programs manual underwrite is NOT allowed
	VA	<ul style="list-style-type: none"> • Veterans with full entitlement: Gateway will allow loans up to \$1 Million (excluding VAFF) without a down payment, with AUS Approve/Eligible • Manual underwrites will only apply to IRRRL's and loans below county loan limits (CLL) • All VA Cash out refinances are limited to 90%LTV • Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, VA loans that have been manually underwritten by a client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by VA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion • Manual Underwrite: Include DU/LPA Findings if submitted to DU or LPA • Government Released Programs manual underwrite is NOT allowed

