



# VA Matrix

revised 5/3/2022

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| <p><b>Overlays</b></p> | <p><b><u>Proof of Free &amp; Clear Property</u></b><br/>         FSB will accept HOI that shows a policy that does not include a mortgagee clause as confirmation the property does not have a mortgage lien. If the documentation of the file (tax returns, credit, etc) does not support this information, the underwriter will require a lien search to be provided.</p> <p><b><u>Tax Transcripts</u></b><br/>         Due to changes in the IRS' handling of 4506C forms, FSB will require tax transcripts on all borrowers that apply with the following income types:</p> <ul style="list-style-type: none"> <li>• self-employed borrowers,</li> <li>• fixed income borrowers that are grossing up income for qualifying purposes,</li> <li>• rental income or trust income.</li> </ul> <p><b>600 – 659 Overlays</b></p> <ul style="list-style-type: none"> <li>➤ Verification of Rent (VOR) will be required on all files where the borrower(s) identify they rent in the residence history. <i>No late payments reporting in the last 12 months</i></li> <li>➤ If borrower does not rent, a Rent-Free Letter will be required from the current owner of the residence. Rent Free Letter should confirm the most recent 12-month history.</li> </ul> |
|                        | <ul style="list-style-type: none"> <li>➤ <i>Homebuyer Education Course required.</i> MGIC or FHLMC Credit Smart courses are acceptable and are provided at no cost to the borrower.             <ul style="list-style-type: none"> <li>o If borrower currently has a mortgage that reports on credit, Homebuyer Education can be waived</li> </ul> </li> </ul>  |