



BankSouth Mortgage Overlay Matrix

Updated: 3-28-17

Topic	Overlay/Modification	F N M A	F H L M C	F H A	U S D A	V A
Commission	Maximum real estate commission of 8%	X	X	X	X	
Maximum Exposure	Maximum of four (4) loans to one borrower (lifetime)	X	X	X	X	X
Appraisal	All transferred appraisals must receive a desk review			X		X
	Minimum condition rating of C4 and quality of Q5	X	X	X	X	X
	UCDP Scores of 4.5 and greater require an extensive review for material and quality discrepancies as well as a review/ comparison with collateral underwriter. The Appraiser is required to address any discrepancies and be deemed acceptable by the underwriter. More conditions may apply and value maybe impacted.	X	X			
FICO-Minimum	Minimum 620	X	X		X	
	Rescores with original credit score <620 must meet the same guidelines as loans with scores between 600-619			X		X
	FICOS of 600-619 with AUS Approval, Max DTI 45%, No foreclosures, two months reserves, NO DPA, NO Gift, VOR for most recent 12 mos. with no lates, payment shock not to exceed 25%**Purchase transactions ONLY****			X		X
	Minimum FICO of 600 with AUS approval					X
Verification of Rent	Required for all loans with ratios over 50% regardless of AUS findings			X		
	Required for AUS approved loans with ratios over 43% and residual under 120%					X
	Required for credit scores under 620 regardless of AUS findings			X	X	X
	If living rent free, must provide a rent free letter signed by the provider AND a letter from the borrower explaining the benefits of living rent free with supporting documentation as to benefit of living rent free (paid of debt, substantial savings).	X	X	X	X	X
	If renting from a private landlord or family member/related party, cancelled rent checks and a credit supplement is required. The credit supplement alone will not be acceptable.	X	X	X	X	X
	If renting from an apartment complex or management company, a credit supplement is sufficient.	X	X	X	X	X
	Required on primary residences when purchasing a second home (when applicable)	X	X	X	X	X
	Required with payment shock over 125% or exception can be made up to 150% with a 6 mos. demonstrated savings pattern consistent with the increased housing payment.	X	X	X	X	X
Verification of Mortgage	Mortgages must be updated to reflect current as of closing	X	X	X		X
	Max 1x30 in the last 12 months					X
	VA IRRLS's may not have any lates within the last three months					X
Homeowners Insurance	Maximum 5% HOI deductible on AUS approved loans	X	X	X		X
	Maximum 2% deductible on all manually underwritten loans or CONV loans over 80%	X	X	X		X
	Greater of \$1000 or 1% of the sales price				X	
Income	30 day paystubs are required regardless of AUS approval	X	X	X	X	X
	Self employed borrowers are required to provide a profit and loss statement after April 1st	X	X			
	Self employed borrowers filing 1120S or 1065 must provide a balance sheet in addition to the profit and loss statement	X	X	X		
Transcripts	Tax transcripts are required for the number of years used to qualify each borrower. W2 transcripts are allowed for salaried borrowers	X	X	X	X	X
Credit	Credit must be re-pulled if borrower information is incorrect	X	X	X	X	X
	Credit must be pulled with the borrowers legal name and suffix	X	X	X	X	X
	Revolving debt paid off to quality must also be closed			X		X
	Inquiries of two or more must obtain a 2nd level review by the Underwriting Manager			X		X
	All rescore requests must be approved by Team Lead or Underwriting Manager			X		X
	Credit must be pulled with the borrower current residence	X	X	X	X	X
Escrow Holdbacks	Escrow holdbacks must be approved by management with 125% collected	X	X	X	X	X
Vesting	Loans must close in the borrowers legal name: (Jr., II, IV etc.)	X	X	X	X	X
Manufactured Housing	Limited to 80% LTV with US Bank	X	X			



BankSouth Mortgage Overlay Matrix

Topic	Overlay/Modification	F N M A	F H L M C	F H A	U S D A	V A
Departure of Current Residence	If using rent to qualify, must obtain evidence of:					
	An executed lease from an un-related third party	X	X	X		X
	Evidence of security deposit	X	X	X		X
	Evidence of first months rent	X	X	X		X
	Evidence of market rent. (The lower of the market rent or the lease rent must be used)	X	X	X		X
Lease Agreements	Lease agreements must contain the current address, phone number and email address of the leasees	X	X	X	X	X
Rapid Acquisition	Rapid acquisition is defined as purchasing more than two properties in the past twelve months					
	Cannot utilize rental income	X	X			
	Most obtain six months rent loss insurance coverage	X	X			
	Cannot own more than two properties in the same complex/subdivision as investment units	X	X			
	Must have an appraisal that reflects comps listed on the MLS that are not the sellers subject or recently acquired property	X	X			
	Borrower must OWN a primary residence	X	X			
	Seller must be an individual (not business entity)	X	X			
	Exceptions are available on a case by case basis	X	X			
	Manual underwriting are not allowed	X	X			
Assets	All funds needed for cash to close, down payment or minimum investment requirement must be sourced.	X	X	X	X	X
	Deposits under 50% of the total monthly qualifying income are not considered large deposits	X	X			
	Deposits maybe required to be sourced based on underwriting discretion			X	X	
	All non-payroll deposits greater than 1% of the sales price must be sourced			X		
Flip Transactions	Loans that have sold in the past 90 days are ineligible for financing			X		
	Loans that have sold in the past 90 days will require:					
	Evidence that it not an identity of interest transaction	X	X	X		
	Desk Review	X	X	X		
	Evidence that title has not had additional transfers within the last twelve months	X	X	X		
Age of Documents (Valid)	Cannot exceed 120 days from closing date	X	X	X	X	X
Underwriting Method	DU and LP Accepted	X	X	X		X
	If you start with one AUS engine, you must obtain management approval prior to switching			X		
	GUS decision only				X	
Debt to Income Ratio	Max 41% for manual underwrites				X	X
	Max DTI of 55%			X		X
	DTI between 50.01 -55.00% require the following:					
	Minimum FICO of 640					
	AUS Approval			X		X
	2 mos. self-sourced reserves (no gifts allowed)					
	Verification of rent vi 3rd party for the most recent 12 mos. with 0 lates					
	Payment shock not to exceed 125% unless exception to go to 150% is made (see verification of rent section above)					
Rescores	Original FICO less than 580 are ineligible for the rescore program	X	X	X	X	X
VA JUMBO	Minimum credit score of 620 required 6 months reserves for subject property (in addition to any other reserves required for additional REO owned)					X
Loan Limits	Base loan limits exceeding \$1,000,000 requires a minimum FICO score of 700	X	X	X	X	X
Investment Purchase	To use rental income on the subject, the borrower must currently own a primary residence property	X	X	X	X	
Previous Foreclosure	Max ratios are 45% regardless of AUS findings if occurred within the last 3 year (Extenuating Circumstances not allowed)			X		X

Refer to the following tools for additional information: Student loan matrix, tax transcript requirements, FHA refinance options, IRRRL matrix, Authorized User matrix, Reserve chart and Septic/Well chart