

Conventional Overlay Matrix

Attention Please!!

TEMPORARY GUIDANCE DUE TO COVID-19

This direction supersedes standard guidance on this matrix!

Due to the unprecedented impact of the coronavirus on the industry, temporary guidance has been issued regarding a number of different topics. To ensure your borrower is accurately qualified in this challenging time, please refer to the [Temporary Guidance due to COVID-19 document](#).

Chapter	Topic	Overlay
Requirements & Restrictions	Max Number of Borrowers	MMI does not allow any greater than 4 borrowers on a single loan
	Ineligible Terms	1/1, 3/1, 5/5 ARMs
	AUS Requirements	DU Findings reflecting Approve/Eligible, or LP Findings reflecting Accept are required. Recommendations of Refer or loans otherwise requiring manual underwriting are ineligible.
Collateral	Ineligible Property Types	Properties exhibiting commercial/industrial use
		Title held as Leasehold except for properties in MD and CA
		CoOps
		Properties vested in Life Estates
		Land Trusts
		Any land, building, property, structure, etc. in which there is knowledge of an illegal activity based on federal or state law
	Properties located on repaired sinkholes or with sinkhole activity	
	UAD Rating	Condition Ratings of C5 and C6 are unacceptable
		Quality Rating of Q6 is unacceptable
Appraisal Waiver in a Disaster Area	For properties in a declared disaster area, where the AUS recommendation allows for a reduced property inspection/appraisal waiver, a full appraisal with an interior and exterior inspection will be required for up to 90 days after the disaster incident period end date.	
Condo Project Approval	MMI does not offer PERS (Project Eligibility Review Service) as a condo project approval option	
Condos	New construction condos, newly converted condos, and non-warrantable condos are ineligible.	
Condo Conversions	Conversion projects must be 3 years since conversion (determined by recording date on master deed) and meet GSE definition of an Established Project	
Credit	Minimum Score	Borrower(s) with no score are eligible, providing at least one borrower on the loan has a valid credit score.
	Departure Residence	If the borrower's current primary residence is pending sale, but the transaction will not close with title transfer to the new owner prior to the subject transaction, and the borrower is purchasing a new principal residence, both the current PITIA and the proposed PITIA must be used in qualifying the borrower for the new mortgage loan unless the home is being sold under an employment relocation program

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Income	Ineligible Income Sources	Projected earnings are ineligible for qualifying income, unless the loan is eligible for delivery prior to documenting receipt of the new earnings (per GSE direction)
		Income derived from an activity that is deemed illegal by federal or state law
Assets	Gift of Equity	Underlying mortgage payoff (if any) must reflect no more than 29 days delinquent at time of closing. Any history of major delinquencies (30 days or more) reflected on title or payoff, will require additional information and may not be eligible. Spouse to Spouse purchases are not acceptable except in instances such as divorce, where legal documentation (such as a Divorce Decree) indicates the seller/spouse will be vacating the property.
Refinances	PACE/HERO Loans	PACE loans are required to be paid off, and cannot remain outstanding after closing.
Private Mtg Insurance (PMI)	Coverage Restrictions	Reduced coverage not permitted. Standard coverage only.
		Borrower-paid single premium cannot be financed
		Split premium not available
General Provisions	Identity Documentation	All borrowers must have a valid SSN. Individual Tax Identification Numbers (ITINs) are not permitted.
	Escrow Account	Required for all loans with LTVs > 80%, except in CA (required when LTV is ≥ 90%), or NM (required when LTV is ≥ 80%).
	Exposure	Maximum 4 loans to an individual borrower with MiMutual
Repair Escrows	Eligible Repairs	Minor conditions or deferred maintenance items may be remedied. Any items that affect the safety, soundness, or structural integrity of the property are ineligible.
Home Possible	Ineligible Features	Temporary subsidy buydowns
		Construction Conversion and Renovation Mortgages
		Sweat equity
		RHS Leveraged Seconds

HomeStyle Renovation	Available Terms	15 and 30 fixed rate only. ARMs are not permitted. High Balance allowed.
	Ineligible Transactions	When borrower is related to or employed by the contractor or the company doing the renovation
		Second home and investment property transactions that involve non-arm's length and/or identity of interest characteristics
		Loans subject to TX 50(a)(6) guidelines
	Ineligible Programs	HomeStyle Energy
		HomeStyle Reno in conjunction with the HomeReady program
	Ineligible Borrowers	Non-profit investor borrowers
		Local government agencies as borrowers
	Assets	Gifts of Equity are ineligible
		MiMutual will not escrow for mortgage payments that come due during the renovation period. The payment on the subject, as well as any housing expense that exist for another residence during construction must both be included in the debt ratio, or the borrower must document sufficient (additional) assets to cover the temporary housing payment for the number of months that construction will be taking place
	MI	Borrower-paid financed MI is not permitted
	Ineligible Repairs	"Do-It-Yourself" borrower repairs (with the exception of appliance purchases)
		Repairs that would result in work not beginning within 30 days of closing
		Moving an existing dwelling to a new site/foundation
Replacement of an old/damaged foundation		
Contingency Reserve	Any repairs that take greater than 9 months to complete	
	The contingency reserve may not be waived on single family residences	
Consultant Requirements	A HUD-approved consultant must be used when: <ul style="list-style-type: none"> any structural work is required (an increase in the gross living area of the property, or any modification/adjustment to the floor plan, such as moving walls, regardless of structural load transfers), or the contractor has no experience with renovation loans. 	
	When a consultant is used, max 3 contractors permitted	

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<i>HomeOne</i>	MI	Standard MI coverage only. Custom MI not permitted.
	Credit Score	Minimum 620 required.
	Ineligible Features	HomeOne in conjunction with renovation mortgages or construction conversion loans Temporary subsidy buydowns
<i>FNMA High LTV Refinance</i>	AUS	Manual UW (including Alternative Qualification Path) not permitted. Must receive DU Approve/Eligible recommendation.
	Ineligible Features	MiMutual will not provide an incentive to the borrower in the form of a payment to pay off a portion of the loan being refinanced.
	Collateral	CoOps ineligible
	Title	Fee simple only. Leasehold not permitted.
<i>Manufactured Homes</i>	Collateral	Double-width and larger only. Single-wide homes not permitted.
		Home may not be located in a condominium/PUD project (regardless of width)
		Homes that have an addition or have had a structural modification are ineligible
	Ineligible Programs	New construction / buying new home and placing on land is ineligible
		HomeStyle Renovation
		MH Advantage
Title	Title MUST be surrendered no later than at closing.	