

January 23, 2017

FHA Premium Overlay and Fact Sheet UPDATES

Western Bancorp has updated the FHA Premium Overlay and Fact Sheet to reflect multiple credit policy updates and clarifications. A summary of the updates are provided with this announcement and can also be found in [LMS Xpress/Product Matrices and Underwriting Guidelines](#)

FHA PREMIUM OVERLAYS AND FACT SHEET		
Topic	Previous Guideline	Updated Guideline
Cash-Out Refinance	Credit Score requirement, not previously addressed in topic	640 Score required for all borrowers
Debt to Income (DTI)	600-619 Credit Score—38%	Deleted Requirement
Fico Score	600—Purchase ONLY 620—Rate Term and Simple Refinance 640—High Balance—Purchase, Rate Term/Simple and Streamline 660—Cash Out Refinance	580—Purchase ONLY 620—Rate Term, Simple Refinance 640—Streamline (Credit and Non-Credit Qualifying) 640—Cash Out Refinance
Manual Underwriting	Credit Score requirement, not previously addressed Manual Underwriting-Refer/Eligible — May be eligible, subject to exception	620 Mid Score required for all borrowers Eligible, subject to second signature and exception pricing
Reserves	Credit Score less than 619—3 months reserves required (regardless of underwriting method)	Deleted Requirement

Pipeline Impact

- ◆ None—all loans, regardless of stage are subject to the guideline revisions

Please Contact your Account Executive regarding any questions or ask@westernbancorp.com