

## VA Overlays

*This summary of overlays is being provided as a resource tool to aid in identifying areas in which Impac Mortgage Corp. has additional credit requirements which supplement agency guidelines. This matrix is not intended to replace the more detailed Impac product descriptions. Refer to the applicable Impac guidelines for complete product criteria.*

<b>Appraisal</b>	<b>Property Condition Rating of C5 or C6 is ineligible</b>											
<b>Assets</b>	<b>Verification of Deposit</b> A written VOD cannot be standalone documentation. At least one month's bank statement is required with a VOD.											
<b>Borrower Eligibility</b>	Inter Vivos Revocable Trust is allowed for owner occupied property only <ul style="list-style-type: none"> <li>Note: A Power of Attorney is not allowed for properties held in a trust</li> </ul> Non-Permanent Resident Alien spouse may be on a loan with an eligible veteran borrower if meets the following: <ul style="list-style-type: none"> <li>Occupy the subject property as primary residence</li> <li>Has a valid Social Security Number; and</li> <li>Is eligible to work in the U.S. as evidenced by an EAD <u>if employment and income is used to qualify</u> (EAD not required unless using income to qualify)</li> </ul>											
<b>Credit</b>	<b>Minimum Fico Score Requirements</b> <ul style="list-style-type: none"> <li><b>580</b>, AUS or manual underwriting due to Refer/downgrade</li> </ul> Non-traditional credit ineligible											
<b>Down Payment Assistance Programs</b>	Eligible – Must be approved by Impac and allowed by VA											
<b>Escrow Holdback</b>	Ineligible, except for delegated Correspondents. See Correspondent guidelines.											
<b>Escrow Waivers</b>	Ineligible											
<b>Financing Types</b>	Texas Section 50(a)(6) Equity Cash Out loans are not allowed. Energy Efficient Mortgages (EEMs) not allowed VA Construction Loans ineligible One time close (OTC) Construction to Permanent mortgages are ineligible except for delegated Correspondents. See Correspondent guidelines.											
<b>Geographic Locations</b>	See respective Retail, Wholesale, Correspondent channel guidelines for eligible states.											
<b>Guaranty / Entitlement</b>	A combination of VA Guaranty and Equity/Down Payment must equal 25%. Loans must meet both VA Guaranty and GNMA requirements.  Financing above the VA county (guaranty) loan limits is permissible but will require the borrower to make a down payment or to have equity, which when added to the amount of their available VA guaranty, equals at least 25% of the gross loan amount, including the funding fee.  VA loans with partial entitlement are allowed per VA guidelines. Must meet VA guaranty and GNMA requirements.											
<b>High-Cost Mortgage Loans</b>	Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32). In addition, loans defined by certain states as "higher priced", "high cost", "subprime", "high risk", or "high rate, high fee" loans are prohibited.											
<b>Income</b>	Mortgage Credit Certificates (MCCs) are not allowed for qualifying income											
<b>Loan Amount</b>	<p><b>Maximum Loan Amount</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="background-color: #cccccc;">Continental US, Alaska and Hawaii</th> </tr> <tr> <th style="background-color: #cccccc;">Units</th> <th style="background-color: #cccccc;">Highest Maximum Total Loan Amount</th> <th style="background-color: #cccccc;">Credit Score</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="background-color: #ffffcc;">1 – 4 Units</td> <td style="background-color: #ffffcc;">&gt; \$1,250,000 ≤ \$1,500,000</td> <td style="background-color: #ffffcc;">680</td> </tr> <tr> <td style="background-color: #ffffcc;">&gt; \$1,000,000 ≤ \$1,250,000</td> <td style="background-color: #ffffcc;">640</td> </tr> </tbody> </table>	Continental US, Alaska and Hawaii			Units	Highest Maximum Total Loan Amount	Credit Score	1 – 4 Units	> \$1,250,000 ≤ \$1,500,000	680	> \$1,000,000 ≤ \$1,250,000	640
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<b>Program Exclusions</b>	PACE (Property Assessed Clean Energy) loans (aka HERO loans, etc) <ul style="list-style-type: none"> <li>○ New Purchase loans or refinance of loans with existing HERO/PACE liens (unless those liens are completely paid off at closing)</li> </ul>	
<b>Property Types</b>	<u>Manufactured Housing acceptable to VA that is classified as real estate and subject to the following restrictions:</u> <ul style="list-style-type: none"> <li>• Primary Residence Only</li> <li>• Multi-width property only – no single wide</li> <li>• No High Balance Loans</li> <li>• Fixed Rate only, no ARMs</li> <li>• No Manufactured Homes in Condo Projects</li> <li>• MFH may not have been re-sited</li> <li>• Built after June 15, 1976 as evidenced by HUD labels</li> <li>• Permanently affixed to a foundation (see VA Lender Manual 12.10)</li> </ul> Ineligible Properties <ul style="list-style-type: none"> <li>• Co-ops</li> <li>• Leasehold properties</li> <li>• Properties with greater than 25 acres</li> <li>• Uniquely designed properties such as dome homes, log cabins, earth berms, and underground homes</li> <li>• Indian reservation lands and Hawaiian Homelands – refer to regional VA office for VA's Native American Direct Loan program</li> <li>• Fee simple land within the bounds of Indian reservation land or under jurisdiction of tribal council or laws</li> <li>• On-frame modular homes</li> </ul>	
<b>Special Requirements/Restrictions</b>	Form 4506-T must be processed prior to underwriting. <ul style="list-style-type: none"> <li>• A new IRS Form 4506 T is required to be signed with the closing package as well as at application even when the form has been processed.</li> </ul> <u>4506-T Transcripts</u> IRS Form 4506-T must be executed for all borrowers regardless of income type and is required upfront and at closing. Minimum 2 years most recent transcripts required for all loans <ul style="list-style-type: none"> <li>• Transcripts must match the income documentation used for qualification               <ul style="list-style-type: none"> <li>○ Full transcripts are only required when tax returns are required</li> <li>○ W2 transcripts are required when only W2s are used to qualify</li> <li>○ 1099 transcripts are required when only 1099 income is used to qualify</li> <li>○ The above applies to full doc transactions only</li> </ul> </li> </ul> Tax return transcripts are required for all years of income being used to qualify ** (self-employed, rental income, > 25% commission)	
<b>Streamline (IRRRL)</b>	Streamline (IRRRL) loans require appraisal or AVM, maximum 115% LTV (see guidelines for details)  Loan must meet VA QM guidelines (Safe Harbor or Rebuttable Presumption). <u>In all cases the recoupment period for all allowable fees and charges financed as part of the loan or paid at closing may not exceed thirty-six (36) months <b>except</b> when moving from ARM to Fixed Rate loan (Impac Overlay).</u>	
<b>Tax Returns</b>	Amended tax returns must have 6 months seasoning prior to application date. Tax returns filed within 6 months of loan application date for any years in which tax returns are used to validate income are not acceptable. Amended tax returns must be processed and validated with IRS transcripts. "Stamped" filed amendment documentation is not acceptable.	
<b>Temporary Buy Down</b>	Not allowed	