

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.

Appraisal	<p><u>Full Doc:</u> Follow VA Temporary Requirements with the following exceptions:</p> <ul style="list-style-type: none"> • Exterior-Only and Desktop Appraisals not eligible for cash-out refinance with LTV > 80%. • Repair escrow is not allowed. All repairs must be completed prior to closing and certified via Appraisal Form 1004D. <p><u>IRRRL:</u> Appraisal (full or exterior-only) or AVM is required to determine value. Acceptable AVM's include:</p> <ul style="list-style-type: none"> • Core Logic GeoAVM Core product (ValuePoint 4, PASS, HPA, and PowerBASE 6) • Freddie Mac HVE with Forecast Standard Deviation of 0.20 or less
Assets	<p>Most recent asset statement must be dated within 60 days of the Note Date for all assets used for funds for close.</p> <p>Stocks, stock options and mutual funds (including IRA/SEP/Keough/401K) must show proof of liquidation if used for closing costs or down payment. If used for reserves, only 60% of account balance can be used (proof of liquidation not required).</p> <p>Cryptocurrency (e.g. Bitcoin and Ethereum) may NOT be used for funds to close.</p>
Borrower Eligibility	<p><u>Ineligible:</u></p> <ul style="list-style-type: none"> • Foreign National • Deferred Action for Childhood Arrivals (DACA)
COVID-19 Attestation	<p>All borrowers must sign and date Impac's COVID-19 Attestation with regard to forbearance and the borrower's ability to repay the loan. The borrower may not be in forbearance, or have requested forbearance.</p>
Credit	<p><u>Full Doc:</u> Minimum 640 FICO <u>IRRRL:</u> Minimum 680 FICO *Base loan amount \geq \$1mm requires a minimum credit score of 700 (Full Doc and IRRRL).</p> <p><u>Mortgage History:</u></p> <ul style="list-style-type: none"> • 0X30X12 on all mortgages for all properties • <u>Full Doc:</u> For manually underwritten or downgraded loans, a minimum 12-month housing history (mortgage or rent) without any late payments in the most recent 12 months is required for all mortgage and rent payments.
DTI	<p><u>Maximum DTI (Full Doc):</u></p> <ul style="list-style-type: none"> • Per AUS – Not to exceed 55% • For manual underwrites or downgrades: <ul style="list-style-type: none"> ➢ 45% max for Conforming loan amounts ➢ 43% max for High Balance loan amounts ➢ Minimum 3 open tradelines in the last 12 months ➢ Minimum 12-month housing history (mortgage or rent) in the most recent 12 months to show 0x30x12 <p><u>IRRRL:</u> DTI requirements not applicable.</p>
Escrow Holdback	Not allowed
Escrow Waivers	Not allowed
Fraud report	Required
Financing Types	<p><u>Ineligible:</u></p> <ul style="list-style-type: none"> • Purchase contracts that have been assigned • Energy Efficient Mortgages (EEMs) • VA Construction Loans • One time close (OTC) Construction to Permanent mortgages • Temporary buy down
Geographic Locations	<p><u>Restrictions:</u></p> <ul style="list-style-type: none"> • <u>Hawaii:</u> Lava zones 1 and 2 not eligible • <u>Illinois:</u> Illinois Land Trust not allowed • <u>New York:</u> CEMA not allowed • <u>Texas:</u> 50(a)(6) not permitted • <u>Colorado:</u>

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	<ul style="list-style-type: none"> ○ Income must be stated on the application ○ No analysis or verification of income is required
Income	<p>Income docs must be dated within 60 days of the Note Date.</p> <p><u>Self-Employed Income:</u></p> <ul style="list-style-type: none"> • Borrower to provide evidence of 12 months PITIA reserves, OR • Income is reduced by 25% and the borrower must provide evidence of 6 months PITIA reserves. If the borrower cannot meet the minimum 6 months of PITIA reserves requirement, self-employment income may not be used for qualifying. <p><u>Rental Income:</u> If used as qualifying income, evidence of additional 6 months PITIA reserves is required for each rental property. Proof of receipt of rental income for the most recent 90 days is also required. If borrower is unable to provide evidence of additional 6 months PITI reserves and/or current receipt, rental income may not be used to qualify. Reserves must come from borrower's own funds, which can include eligible business assets as allowed by VA and documented per VA guidelines. These reserves are required in addition to any standard VA reserve requirements.</p> <p><u>Verbal Verification of Employment (VVOE):</u></p> <ul style="list-style-type: none"> • <u>Salaried:</u> Must be dated within 3 business days of the Note Date. An updated VVOE is also required within 3 business days prior to funding. If the VVOE cannot be obtained, the following alternatives may be obtained in lieu of the VVOE: <ul style="list-style-type: none"> ○ Written Verification of Employment (WVOE). Income must NOT be disclosed. ○ Email confirmation directly from the employer's work email address (name@company.com) that identifies the name and title of the verifier and the borrower's name and current employment status. <p>NOTE: If a 3rd-party service is used to obtain a VVOE, the Veteran must not be charged for the fee.</p> <ul style="list-style-type: none"> • <u>Self-employed:</u> Must be dated within 5 business days of the Note Date. An updated VVOE is also required within 5 business days prior to funding. Examples include: <ul style="list-style-type: none"> ○ Evidence of current work (e.g., executed contracts or signed invoices that indicate the business is operating on the day the Seller verifies self-employment) ○ Evidence of current business receipts within 10 Business Days of the Note Date (e.g., payment for services performed) ○ Lender certification the business is open and operating (e.g., the lender confirmed through a phone call or other means) ○ Business website demonstrating activity supporting current business operations (e.g., timely appointments for estimates or service can be scheduled) <p><u>IRRRRL:</u> Income is not documented/validated. However, an income source is required. If the income source is from employment or self-employment, VVOE requirements above are required.</p>
Loan Amount	<p><u>Minimum</u> loan amount: \$100,000 <u>Maximum</u> loan amount: \$1,500,000 (base loan amount)</p>
LTV	<p><u>Full Doc:</u> Type I cash-out refinance restricted to maximum LTV of 90% (including VA Funding Fee) <u>IRRRRL:</u> Maximum LTV (excluding VA Funding Fee) is 100%</p>
Property Types	<p><u>Ineligible:</u></p> <ul style="list-style-type: none"> • Manufactured homes • On-frame modular construction • Co-op share loans • Agricultural properties (farms, ranches) • Leasehold property • Uniquely designed properties such as dome homes, log cabins, earth berms • Indian reservation and Hawaiian Home lands
Subordinate Financing	Not allowed