

Topic	Policy Overlay	FHA	VA
4506C	A fully executed IRS Form 4506C must be included in all loan files. Transcripts are required for the following income types: Self-employed; rental income documented on Schedule E; employed by family; and fixed income types such as disability, Social Security, retirement, child support, alimony income documented with tax returns in lieu of alternative documentation such as bank statements.	X	X
Assets	Sweat equity is not allowed.	X	X
Buydowns	Not permitted.	X	X
Debt to Income	Debt-to-income ratio cannot equal or exceeds 55% back-end ratio.	X	X
Credit Reports	FHA Streamline refinance or VA IRRRL must have acceptable mortgage rating and must pull credit from 3 different bureaus and the middle score will be used.	X	X
Credit Scores	Purchase - 1-4 Units/Condo/PUD	600	X
	Rate/Term Refinance & Simple Refinance - 1-4 Units/Condo/PUD	600	
	Cash-Out Refinance - SFR/Condo/PUD	600	
	Cash-Out Refinance 1-4 Units	600	
	Streamline Refinance - 1-4 Units/Condo/PUD	600	
	Manufactured home	600	
	Purchase - 1-4 Units/Condo/PUD	620	X
	Rate/Term Refinance & Simple Refinance - 1-4 Units/Condo/PUD	620	
	Cash-Out Refinance - SFR/Condo/PUD	620	
	Cash-Out Refinance 1-4 Units	620	
	Interest Rate Reduction Refinance Loan (IRRRL) - 1-4 Units	620	
	Manufactured home	620	
Down Payment Assistance	No community second or grant programs.	X	X
Escrows	Escrow Waivers are not permitted.	X	X
Fee Limitations	Maximum real estate commission limited to 8% of the sales price.	X	X
FHA Streamlines	Must have pay stub and VOE	X	X
Funding Fee	Due to system constraints, the funding fee must be fully financed or fully paid at closing.		X
Ineligible Programs	Title I Loans	X	
	203k	X	X
	Home Equity Conversion Mortgages (Reverse Mortgages)	X	
	Section 247 - Hawaiian Homelands	X	
	Section 248 - Indian Reservations	X	
	Section 184 - Indian Home Loan Guarantee Program	X	
	Section 223(e) - Declining Neighborhoods	X	
	FHA Negative Equity Refinance (ADP Codes 821, 822, 831, 832)	X	
	Energy Efficient Mortgages	X	X
	Mortgage Credit Certificates (MCC)	X	X
	New York Consolidation, Extension and Modification Agreements (CEMA)	X	X

Joint Loans	Due to system constraints the following joint loans are ineligible transactions: All veterans are using entitlement and one is exempt from paying the funding fee but all others are required to pay a funding fee. Two or more unmarried veterans are borrowers on a loan but only one is using entitlement. Two or more veterans are using entitlement but one or more of the veterans' funding fee factors differs from the others (i.e. One veteran's funding fee is 2.15% and the other veteran's funding fee is factors is 3.30%). Borrowers are a veteran and non-veteran who is not the veteran's spouse and the veteran is subject to paying a funding fee. All veterans must occupy the property.		X
LTV/CLTV	Cash-out refinance: Maximum LTV is 90%.		X
	Cash-out refinance: Maximum CLTV is 150%.		X
Maximum Loan Amounts	\$1,000,000		X
Multiple Loans to the Same Borrower	BCF Wholesale will not service more than 5 properties or an aggregate loan amount total of \$4,000,000 per borrower regardless of occupancy.	X	X
Non-Arm's Length	Not allowed on short sales. If borrower previously did a short sale on the home. BCF Wholesale will not provide financing on the same property for the same borrower.	X	
Non-Occupant Co-Borrowers	Not permitted.		X
Trusts	BCF Wholesale will not allow loans to close in the name of a trust	X	X
PACE Loans	Not permitted. (Note: HERO loans are issued under the PACE financing program.	X	X
Power of Attorney	Not allowed on cash-out refinance or single borrower transactions. Power of attorney may not be e-signed.	X	X
Property	Manufactured Homes are eligible.	X	X
	Co-operatives are ineligible.	X	X
	3-4 unit properties are ineligible for cash-out refinances if one or more of the borrowers does not have credit scores.	X	X
	Investment properties under the HUD REO program are ineligible.	X	
	Properties must be located in BCF Wholesale licensed States. Currently Licensed States	X	X
	Condominium projects must be FHA-approved and listed in the HUD database https://entp.hud.gov/idapp/html/condlook.cfm		
	Condominium projects must be VA-approved and listed in the following database https://lgy.va.gov/lgyhub/condo-report	X	X
	Condominiums without HOAs are ineligible.		X
Ratios	Maximum ratio for loans – 54.99% back end ratio.	X	X
Recently Listed Properties	Rate and term and Cash-out Refinances: Property must be off the market at least one day prior to application.	X	X
Refinance Cash-Out	Maximum cash-in-hand - \$300,000.	X	
Trust	BCF Wholesale will not close loans in the name of a Trust.	X	X