

# ESSENT ANNOUNCEMENT

March 29, 2022

## Re: Underwriting Eligibility Updates

Essent is pleased to announce updates to our Underwriting Guideline Manual. Eligibility changes will be effective for mortgage insurance (MI) applications received on or after April 4, 2022. Details of these changes are outlined below, and updated Guideline Summaries are attached with this announcement. The updated Underwriting Guideline Manual will be available on our [website](#) on April 4, 2022.

### Clear2Close® Eligibility Expansion

The Clear2Close Guideline Summary has been updated to reflect the following:

- New eligibility for Primary Residence, Manufactured Housing to 95% LTV/CLTV up to FHFA Max loan amounts
  - Single-wide and properties with a single-wide accessory unit are ineligible
  - Subject property must meet the requirements of Section 5.4.(8) of the Essent Underwriting Guideline Manual
- New eligibility for Freddie Mac CHOICEHome® properties up to FHFA Max loan amounts
- Min. FICO has been decreased to 680 from 720 for Primary Residence, Construction-to-Permanent, 97% LTV loans up to the Base Conforming Loan Limit

### Manual Underwriting Eligibility Expansion

The Manual Underwriting Guideline Summary has been updated to reflect the following:

- New eligibility for Primary Residence, Manufactured Housing to 95% LTV/CLTV up to the Base Conforming Loan Limit
  - Single-wide and properties with a single-wide accessory unit are ineligible
  - Subject property must meet the requirements of Section 5.4.(8) of the Essent Underwriting Guideline Manual
- Min. FICO has been decreased to 680 from 700 for Primary Residence, Purchase or Rate/Term Refinance, 95% LTV loans up to FHFA Max loan amounts
- Min. FICO has been decreased for Primary Residence, Construction-to-Permanent transactions as follows:
  - Min. 680 from 720 for 97% LTV loans up to the Base Conforming Loan Limit
  - Min. 660 from 680 for 95% LTV loans up to the Base Conforming Loan Limit
  - Min. 680 from 700 for 95% LTV loans up to FHFA Max loan amounts

### Loan Amounts > FHFA Max Eligibility Updates

The Loan Amounts > FHFA Max Guideline Summary has been updated to reflect the following:

- Increased max. loan amounts up to \$1,000,000 for Second Home transactions
- New requirement for an AUS Approve/Accept Ineligible finding with reason for ineligibility being attributed to loan amount only
- Updated loan amount thresholds for determining Debt-to-Income, Reserves, and Non-Delegated underwriting submission requirements

### Affordable Housing/HFA Eligibility Expansion

The Affordable Housing/HFA Guideline Summary has been updated to reflect the following:

- New eligibility for Manufactured Housing to 95% LTV/CLTV up to FHFA Max loan amounts
  - Single-wide and properties with a single-wide accessory unit are ineligible
  - Subject property must meet the requirements of Section 5.4.(8) of the Essent Underwriting Guideline Manual
  - Manual underwriting eligible to Base Conforming Loan Limit only

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- New eligibility for Freddie Mac CHOICEHome properties up to FHFA Max loan amounts
- New eligibility for Construction-to-Permanent transactions up to FHFA Max loan amounts

## Doctor/Professional Loan Eligibility Updates

The Doctor/Professional Guideline Summary has been updated to reflect the following:

- Min. FICO has been decreased to 680 from 700 for Primary Residence, Purchase or Rate/Term Refinance, 97% LTV loans up to the Base Conforming Loan Limit
- Increased max. loan amounts and related Max. LTV/CLTV & Min. FICO eligibility for loan amounts up to \$1,500,000
- New eligibility for Construction-to-Permanent transactions up to \$850,000 loan amounts
- Updated loan amount thresholds for determining Debt-to-Income, Reserves, Borrower Contributions, and Non-Delegated underwriting submission requirements

## Underwriting Guideline Manual Updates

The Underwriting Guideline Manual has been updated to reflect the following:

- **Section 3.4.1. (14) Other Sources of Income**
  - New guidance has been added regarding the eligibility of Housing or Parsonage Allowance income for qualification purposes
- **Section 5.1. Form Requirements**
  - Fannie Mae 1004 Desktop / Freddie Mac 70D Uniform Residential Appraisal Report (Desktop) has been added to the listing of acceptable appraisal forms
  - New guidance has been added regarding the acceptance of Freddie Mac appraisal waivers when offered by Loan Product Advisor® and exercised in accordance with the Freddie Mac Selling Guide
- **Section 5.4. (2) Property Types – Eligible: Condominiums**
  - Freddie Mac Reciprocal Project Review has been added as an acceptable condominium project approval option
  - Max. single entity ownership eligibility requirement has been increased to 20% from 10%
- **Section 5.4. (8) Property Types – Eligible: Manufactured Housing**
  - New guidance has been added regarding program, property, and appraisal eligibility requirements for Manufactured Housing
- **Section 6.1. General Requirements**
  - Title insurance company requirements have been streamlined to ensure providers are appropriately authorized/licensed and evaluated for acceptance
- **Sections 8.2. Assumptions/Partial Releases & 8.3. Title Transfers**
  - Clarifying guidance has been added to indicate these requests require a submission and approval from Essent's Client Services Department

If you have any questions regarding these changes, please contact your [Essent account manager](#) or EssentCONNECT at 877.673.8190 | [essentconnectsupport@essent.us](mailto:essentconnectsupport@essent.us).

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**For loans with a DU®/Loan Product Advisor® response as follows:**

- » DU Approve/Eligible or Loan Product Advisor Accept/Eligible
- » DU Approve/Ineligible or Loan Product Advisor Accept/Ineligible for:
  - ARMs with an initial fixed term ≥5 years, where the ineligibility is due only to the ARM plan/type

**The following Essent overlay applies:**

- » 3-4 Unit properties are ineligible

LOAN PURPOSE	PROPERTY TYPE	MAX. LOAN AMOUNT	MAX. LTV/CLTV	MIN. FICO	MAX. DTI
<b>PRIMARY RESIDENCE</b>					
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op/MH Advantage®/CHOICEHome® <sup>1</sup>	Base Conforming Loan Limit	97/105 <sup>2</sup>	620	Per DU/Loan Product Advisor Approval
		FHFA Max	95		
	Manufactured Housing <sup>3</sup>	FHFA Max	95		
	2-unit	Base Conforming Loan Limit	95/105 <sup>2</sup>		
FHFA Max		85			
Construction-to-Permanent	Single Family/Condo	Base Conforming Loan Limit	97/105 <sup>2</sup>	680	
			95/105 <sup>2</sup>	620	
		FHFA Max	95	620	
<b>SECOND HOME</b>					
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op/MH Advantage <sup>1</sup>	FHFA Max	90	620	Per DU/Loan Product Advisor Approval
Construction-to-Permanent	Single Family/Condo				
<b>INVESTMENT PROPERTY (6 Months PITI Reserves Required)</b>					
Purchase or Rate/Term Refinance	Single Family/Condo	FHFA Max	85	720	Per DU/Loan Product Advisor Approval

<sup>1</sup>MH Advantage® and CHOICEHome® refer to manufactured housing that meets certain eligibility and construction criteria as determined by Fannie Mae and Freddie Mac.

<sup>2</sup>Subordinate financing must meet Fannie Mae Community Seconds® or Freddie Mac Affordable Seconds® requirements.

<sup>3</sup>Single-wide and properties with a single-wide accessory unit are ineligible; must meet requirements in Section 5.4.(8) of the Essent Underwriting Guideline Manual.

Base Conforming Loan Limit denotes the currently effective general loan limits as specified by the FHFA for the contiguous United States, AK and HI. FHFA Max denotes the greater of the currently effective Base Conforming Loan Limit or the county-specific loan limit as specified by the FHFA for designated high cost areas.

**NOTE:** The minimum income/asset documentation requirements as per the DU/Loan Product Advisor findings/feedback are permitted. All DU findings and Loan Product Advisor feedback certificate conditions must be satisfied and the DU/Loan Product Advisor decision must be present in the file. Loans with lender-negotiated guideline waivers/variances are deemed to be outside of Agency Selling Guide requirements and are thus ineligible.

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LOAN PURPOSE	PROPERTY TYPE	MAX. LOAN AMOUNT	MAX. LTV/CLTV	MIN. FICO
<b>PRIMARY RESIDENCE</b>				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	Base Conforming Loan Limit	97	680
			95	660
		FHFA Max	95	680
	Manufactured Housing <sup>1</sup>	Base Conforming Loan Limit	95	680
	2-unit	Base Conforming Loan Limit	95	680
Construction-to-Permanent	Single Family/Condo	Base Conforming Loan Limit	97	680
			95	660
		FHFA Max	95	680
<b>SECOND HOME</b>				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	FHFA Max	90	700
Construction-to-Permanent	Single Family/Condo			
<b>INVESTMENT PROPERTY</b>				
Purchase or Rate/Term Refinance	Single Family/Condo	Base Conforming Loan Limit	85	720

<b>MANUAL UNDERWRITING PRODUCT ELIGIBILITY REQUIREMENTS</b>	
<b>Manual Underwriting</b>	Loans not meeting Clear2Close® eligibility requirements or not scored via DU®/Loan Product Advisor® are deemed to be manual underwrites. Manually underwritten loans must meet the product eligibility criteria as outlined within this matrix and the eligibility standards as outlined within the Underwriting Guideline Manual.
<b>Appraisal Requirements</b>	Full Uniform Residential Appraisal Report only
<b>Debt-to-Income Ratio</b>	Max. 45% DTI
<b>Reserve Requirements</b>	2 months PITI or the product required min.; Investment Property: 6 months PITI required
<b>Borrower Contributions</b>	<b>Primary Residence:</b> 3% of borrower's own funds required; -OR- Borrower's min. contribution may come from gift funds per Agency guidelines with: 1-unit; Min. 720 FICO; Max. 41% DTI; no down payment assistance, subordinate financing, or grants with repayment <b>Second Home:</b> 5% of borrower's own funds required <b>Investment Property:</b> 15% of borrower's own funds required
<b>Loan Amounts Above Base Conforming Loan Limit</b>	Must meet the county-specific loan limit as specified by the FHFA for designated high cost areas
<b>ARMs</b>	Min. initial fixed period: 3 yrs.; 3 yr. and 5 yr. ARM's qualify at the greater of the initial rate +2% or the fully indexed rate; 7 yr. and 10+ yr. ARM's qualify at the initial rate
<b>Ineligible Properties</b>	Non-warrantable condominiums; condominium hotels (condo-tels); apartment/hotel conversions; model home leasebacks; vacant lots/land; time-share properties; homes unsuitable for year-round occupancy; unimproved land; earth, berm, dome, log and straw bale homes; working farms, orchards and ranches; student housing projects ("kiddie" condos); 3-4 units
<b>Ineligible Products</b>	Interest only; loans with scheduled or potential negative amortization; graduated payment mortgages
<b>Non-Occupying Co-Borrower</b>	Max. LTV/CLTV 95%; DTI based on occupant borrower's income/debt profile; Max. 45% DTI
<b>Loan Representative FICO Score</b>	Lower of two or middle of three repositories to determine each borrower's representative score; lowest representative score across all borrowers; min. of two valid credit scores must be obtained for each borrower; non-traditional/no credit score is ineligible

**NOTE:** Please see the Essent Underwriting Guideline Manual in [Rates & Guidelines](#) at [essent.us](#) for full details.

<sup>1</sup>Single-wide and properties with a single-wide accessory unit are ineligible; must meet requirements in Section 5.4.(8) of the Essent Underwriting Guideline Manual.

Base Conforming Loan Limit denotes the currently effective general loan limits as specified by the FHFA for the contiguous United States, AK and HI.

FHFA Max denotes the greater of the currently effective Base Conforming Loan Limit or the county-specific loan limit as specified by the FHFA for designated high cost areas.

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# loan amounts > FHF Amax

## PRODUCT ELIGIBILITY MATRIX

Loan Amounts > FHFA Max  
Guideline Summary

Effective: April 4, 2022

LOAN PURPOSE	PROPERTY TYPE	MAX. LOAN AMOUNT	MAX. LTV/CLTV	MIN. FICO
<b>PRIMARY RESIDENCE</b>				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	\$850,000	95	700
		\$1,000,000	90	720
		\$1,500,000*	85	740
Construction-to-Permanent	Single Family/Condo	\$850,000	95	720
		\$1,000,000	90	740
<b>SECOND HOME</b>				
Purchase or Rate/Term Refinance	Single Family/Condo	\$850,000	90	720
		\$1,000,000	90	740
Construction-to-Permanent	Single Family/Condo	\$850,000	90	720

\*Loan Amounts >\$1,000,000 require a Non-Delegated submission and AUS Approve/Accept Ineligible finding with reason for ineligibility being attributed to loan amount only

<b>LOAN AMOUNTS &gt; FHFA MAX PRODUCT ELIGIBILITY REQUIREMENTS</b>	
<b>Non-Retail</b>	Eligible
<b>Loan Programs</b>	Fixed Rate; 3 yr. ARM; 5 yr. ARM; 7 yr. ARM; 10+ yr. ARM <b>Loan Amounts ≤\$1,000,000:</b> ARM min. initial fixed rate period of 3 yrs. <b>Loan Amounts &gt;\$1,000,000:</b> ARM min. initial fixed rate period of 5 yrs.
<b>Eligible Borrowers</b>	U.S. Citizens; Permanent Resident Aliens; Non-Permanent Resident Aliens; Inter Vivos Revocable Trusts
<b>Geographic Restrictions</b>	No current restrictions
<b>Appraisal Requirements</b>	<b>Loan Amounts ≤\$1,000,000:</b> Full Appraisal Report <b>Loan Amounts &gt;\$1,000,000:</b> 2 Full Appraisal Reports OR 1 Full Appraisal Report + Field Review
<b>Documentation Type</b>	Full doc only; Alt Doc and all other streamline documentation is ineligible
<b>Credit Requirements</b>	<b>Mortgage Lates:</b> 0 X 30 in last 12 months, 0 X 60 in the last 24 months; <b>Installment/Revolving Lates:</b> 0 X 60 in last 12 months, 1 X 60 in last 24 months; <b>Judgments, Liens, Collections, Charge-Offs:</b> must be paid off; disputed collections may remain open to Max. \$250 per account or \$1,000 in total; <b>Borrowers with invalid or no credit bureau score:</b> ineligible; <b>Chap 7 &amp; 11 Previous Bankruptcy:</b> 4 yrs. since discharge (2 yrs. with documented extenuating circumstances); <b>Chap 13 Previous Bankruptcy:</b> 2 yrs. since discharge/4 yrs. since dismissal (2 yrs. with documented extenuating circumstances); <b>Multiple Bankruptcy Filings in Past 7 Years:</b> ineligible; <b>Foreclosure:</b> 5 yrs. since date of title transfer (3 yrs. with documented extenuating circumstances); <b>Short Sale/Deed in Lieu:</b> 4 yrs. since date of title transfer (2 yrs. with documented extenuating circumstances); <b>Min. 3 traditional trade lines</b> evaluated for at least 12 months for each borrower
<b>Income</b>	<b>Salaried/W-2 Borrowers:</b> Past 2 yrs. W-2s or past 2 yrs. IRS tax transcripts; Most recent 30 days paystubs indicating year-to-date (YTD) earnings; Pre-funding verbal verification within 10 business days of closing; verification of business phone number and address, must be verified by an independent third party, document name and title of person providing verification <b>Self-Employed Borrowers:</b> 2 yrs. evidence of self-employment required; Most recent 2 yrs. personal and business federal income tax returns; Pre-funding verbal verification within 30 calendar days of closing; verification of the existence of the business, business phone number and address, must be verified by an independent third party, document name and title of person providing verification <b>Capital Gains Income:</b> 2 yrs. personal tax returns if no more than 30% of total income; 3 yrs. personal tax returns if greater than 30% of total income; 2 yr. average for qualification if tax returns evidence realized capital gains for last 2 yrs.; support for continuance for next 3 yrs.; verification of ownership & control of assets
<b>Debt-to-Income Ratio</b>	<b>Loan Amounts ≤\$1,000,000:</b> Max. 43% DTI; <b>Loan Amounts &gt;\$1,000,000:</b> Max. 41% DTI
<b>Eligible Property Types</b>	SFR; Condominiums; Cooperatives; Standard condo and cooperative project approval review required
<b>Qualification Rate</b>	<b>Fixed Rate &amp; 7 yr. &amp; 10+ yr. ARMs:</b> Note Rate; <b>3 yr. &amp; 5 yr. ARMs:</b> Greater of the fully indexed fully amortized rate or Note Rate +2%
<b>Reserves</b>	<b>Loan Amounts ≤\$1,000,000:</b> 6 months PITI required <b>Loan Amounts &gt;\$1,000,000:</b> 12 months PITI required <b>First-Time Homebuyer:</b> 12 months PITI required Two most recent monthly bank statements required to verify funds to close and reserves
<b>Borrower Contributions</b>	<b>Loan Amounts ≤\$1,000,000:</b> 5% of borrower's own funds required; <b>Loan Amounts &gt;\$1,000,000:</b> 10% of borrower's own funds required
<b>Seller Contributions</b>	>90% LTV: Max. 3%; ≤90% LTV: Max. 6%
<b>4506-T</b>	All IRS Form 4506-T must be signed, completed and dated at application and at closing by all borrowers
<b>Ineligible Properties</b>	Manufactured housing; non-warrantable condominiums; condominium hotels (Condo-tels); apartment/hotel conversions; model home leasebacks; vacant lots/land; time-share properties; homes unsuitable for year-round occupancy; unimproved land; earth, berm, dome, log and straw bale homes; >10 acres; working farms, orchards and ranches; student housing projects ("kiddie" condos); 2-4 units
<b>Ineligible Products</b>	Interest only; loans with scheduled or potential negative amortization; streamline refinances; renovation loans; loans with terms greater than 30 years; graduated payment mortgages
<b>Ineligible Attributes</b>	Post-closed loans; refinances of previously modified loans

NOTE: Please see the Essent Underwriting Guideline Manual in [Rates & Guidelines](https://essent.us) at [essent.us](https://essent.us) for full details.

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LOAN PURPOSE	PROPERTY TYPE	MAX. LOAN AMOUNT	MAX. LTV	MAX. CLTV	MIN. FICO DU® APPROVE/ LPA <sup>SM</sup> ACCEPT	MIN. FICO MANUAL U/W
<b>PRIMARY RESIDENCE</b>						
Purchase or Rate/Term Refinance	Single Family/Condo/ Co-op/ MH Advantage®/ CHOICEHome® <sup>1</sup>	Base Conforming Loan Limit	97	105	620	680
			95	105	620	660
		FHFA Max	95	95	620	N/A
	Manufactured Housing <sup>2</sup>	FHFA Max <sup>3</sup>	95	95	620	680
Construction-to-Permanent	Single Family/Condo	Base Conforming Loan Limit	97	105	680	680
			95	105	620	660
		FHFA Max	95	95	620	N/A
	2-unit	Base Conforming Loan Limit	95	105	620	660

<sup>1</sup>MH Advantage® and CHOICEHome® refer to manufactured housing that meets certain eligibility and construction criteria as determined by Fannie Mae and Freddie Mac; manual u/w ineligible.

<sup>2</sup>Single-wide and properties with a single-wide accessory unit are ineligible; must meet requirements in Section 5.4.(8) of the Essent Underwriting Guideline Manual.

<sup>3</sup>Manual U/W eligible to Base Conforming Loan Limit only.

### AFFORDABLE HOUSING/HFA PRODUCT ELIGIBILITY REQUIREMENTS

<b>Affordable Housing</b>	Fannie Mae Home Ready® or HFA Preferred™, Freddie Mac Home Possible® or HomeOne® or HFA Advantage®, and other Housing Finance Agency (HFA) or approved Affordable Housing programs must meet the eligibility criteria as outlined within this matrix and the eligibility standards as outlined within the Underwriting Guideline Manual.
<b>Submission Criteria</b>	Applicable Affordable Program selection must be made in the Essent Online MI Ordering system

### LOANS WITH A VALID DU/LOAN PRODUCT ADVISOR RESPONSE

<b>DU/Loan Product Advisor® Scored Loans</b>	<p>For DU/Loan Product Advisor Approve/Accept Eligible loans and DU/Loan Product Advisor Approve/Accept Ineligible loans for ARMs with an initial fixed term ≥5 yrs. where the ineligibility is due only to the ARM plan/type, the DU/Loan Product Advisor findings/feedback may be followed regarding:</p> <ul style="list-style-type: none"> <li>• Documentation Requirements</li> <li>• Credit Requirements</li> <li>• Debt-to-Income Ratio</li> <li>• Reserve Requirements</li> <li>• Borrower Contributions</li> </ul>
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### MANUALLY UNDERWRITTEN LOANS

<b>Documentation Requirements</b>	Documentation requirements as per the Essent Underwriting Guideline Manual
<b>Credit Requirements</b>	Min. 3 traditional trade lines evaluated for at least 12 months for each borrower
<b>Non-Traditional Credit</b>	Max. 95% LTV; Max. 41% DTI; 2-unit ineligible
<b>Debt-to-Income Ratio</b>	Max. 45% DTI
<b>Reserve Requirements</b>	2 months PITI required
<b>Borrower Contributions</b>	1-unit: Lesser of \$1,000 or 1%; -OR- Borrower's min. contribution may come from gift funds per Agency guidelines with: Min. 720 FICO; Max. 41% DTI; no down payment assistance, subordinate financing, or grants with repayment 2-unit: 3% of borrower's own funds required

### ALL LOANS

<b>Loan Programs</b>	Fixed Rate; 5 yr. ARM; 7 yr. ARM; 10+ yr. ARM 5 yr. ARMs qualify at the greater of the initial rate +2% or the fully indexed rate; 7 yr. and 10+ yr. ARMs qualify at the initial rate
<b>Seller Contributions</b>	Max. 3%
<b>Subordinate Financing</b>	Must meet Fannie Mae Community Seconds® or Freddie Mac Affordable Seconds® requirements
<b>Area Median Income (AMI)</b>	Loans must meet any Area Median Income requirements of the applicable program
<b>Homebuyer Education</b>	Loans must meet any homebuyer education requirements of the applicable program
<b>Ineligible Products</b>	Interest only; loans with scheduled or potential negative amortization; graduated payment mortgages

**NOTE:** Please see the Essent Underwriting Guideline Manual in [Rates & Guidelines](#) at [essent.us](#) for full details.

Base Conforming Loan Limit denotes the currently effective general loan limits as specified by the FHFA for the contiguous United States, AK and HI. FHFA Max denotes the greater of the currently effective Base Conforming Loan Limit or the county-specific loan limit as specified by the FHFA for designated high cost areas.

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# doctor/professional loan

## PRODUCT ELIGIBILITY MATRIX

## Doctor/Professional Loan Guideline Summary

Effective: April 4, 2022

OCCUPANCY	LOAN PURPOSE	PROPERTY TYPE	MAX. LOAN AMOUNT	MAX. LTV/CLTV	MIN. FICO
Primary Residence	Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	Base Conforming Loan Limit	97	680
			\$850,000	95	700
			\$1,000,000	90	720
			\$1,500,000*	85	740
	Construction-to-Permanent	Single Family/Condo	\$850,000	95	720

\*Loan Amounts >\$1,000,000 require a Non-Delegated submission

### DOCTOR/PROFESSIONAL PRODUCT ELIGIBILITY REQUIREMENTS

<b>Submission Criteria</b>	Doctor/Professional loans must be identified by selecting <b>Doctor/Professional Loan</b> in Essent Online Rate Finder or MI Ordering systems, or by typing the Essent product code <b>DRPROG</b> in your LOS rate quote request or MI submission where appropriate
<b>Second Homes</b>	Ineligible
<b>Investment Property</b>	Ineligible
<b>Loan Programs</b>	Fixed Rate; 3 yr. ARM; 5 yr. ARM; 7 yr. ARM; 10+ yr. ARM
<b>Eligible Borrowers</b>	Newly licensed Medical Residents who have either recently completed their residency and are about to begin their new employment or have <6 months of residency remaining; Existing Physicians/Doctors (MD, DO, DPM), Dentists (DDS, DMD), Oral Surgeons, Attorneys Non-Permanent Resident Aliens - eligible
<b>Appraisal Requirements</b>	Full Uniform Residential Appraisal Report only
<b>Documentation Type</b>	Full doc only; Alt Doc and all other streamline documentation is ineligible
<b>Credit Requirements</b>	<b>Mortgage/Housing Lates:</b> 0 X 30 in last 12 months; 0 X 60 in last 24 months; <b>Installment/Revolving Lates:</b> 0 X 60 in last 12 months; 1 X 60 in last 24 months; <b>Judgments, Liens, Collections and Charge-Offs:</b> must be paid off; disputed collections may remain open to Max. \$250 per account or \$1,000 in total; <b>Borrowers with invalid or no credit bureau score:</b> ineligible; <b>Chap 7 &amp; 11 Previous Bankruptcy:</b> 4 yrs. since discharge (2 yrs. with documented extenuating circumstances); <b>Chap 13 Previous Bankruptcy:</b> 2 yrs. since discharge/4 yrs. since dismissal (2 yrs. with documented extenuating circumstances); <b>Multiple Bankruptcy Filings in Past 7 Years:</b> ineligible; <b>Foreclosure:</b> 5 yrs. since date of title transfer (3 yrs. with documented extenuating circumstances); <b>Short Sale/Deed in Lieu:</b> 4 yrs. since date of title transfer (2 yrs. with documented extenuating circumstances); <b>Minimum 3 traditional trade lines</b> evaluated for at least 12 months for each borrower
<b>Treatment of Student Loan Debt</b>	Student loan debt may be excluded from the DTI calculation with documentation to evidence deferment/forbearance for at least 12 months
<b>Finance Type</b>	Purchase, Rate & Term Refinance, and Resubordination of existing financing eligible Cash-Out Refinance ineligible
<b>Income</b>	<b>Salaried/W-2 Borrowers:</b> Past 2 yrs. W-2s or past 2 yrs. IRS tax transcripts; Most recent 30 days paystubs indicating year-to-date (YTD) earnings; Pre-funding verbal verification within 10 business days of closing; verification of business phone number and address, must be verified by an independent third party, document name and title of person providing verification <b>Self-Employed Borrowers:</b> 2 yrs. evidence of self-employment required; Most recent 2 yrs. personal and business federal income tax returns; Pre-funding verbal verification within 30 calendar days of closing; verification of the existence of the business, business phone number and address, must be verified by an independent third party, document name and title of person providing verification <b>Future Employment:</b> Permitted if starting within 90 days of the note date; obtain copy of fully executed employment contract/offer letter; VVOE to be completed prior to closing to confirm employment status; obtain documentation to evidence sufficient reserves to cover mortgage PITI payment until employment commences
<b>Debt-to-Income Ratio</b>	<b>Loan Amounts ≤\$1,000,000:</b> Max 43% DTI; <b>Loan Amounts &gt;\$1,000,000:</b> Max. 41% DTI
<b>Eligible Property Types</b>	SFR; Condominiums; Cooperatives; Standard condo and cooperative project approval review required
<b>Qualification Rate</b>	<b>Fixed Rate &amp; 7 yr. &amp; 10+ yr. ARMs:</b> Note Rate; <b>3 yr. &amp; 5 yr. ARMs:</b> Greater of the fully indexed fully amortized rate or Note Rate +2%
<b>Reserves</b>	<b>Loan Amounts ≤Base Conforming Loan Limit:</b> 2 months PITI required <b>Loan Amounts &gt;Base Conforming Loan Limit up to \$1,000,000:</b> 6 months PITI required <b>Loan Amounts &gt;\$1,000,000:</b> 12 months PITI required Two most recent monthly bank statements required to verify funds to close and reserves
<b>Borrower Contributions</b>	<b>Loan Amounts ≤\$850,000:</b> 3% of borrower's own funds required; <b>Loan Amounts &gt;\$850,000:</b> 5% of borrower's own funds required
<b>Gift Funds</b>	Permitted only after minimum contribution from borrower's own funds has been met
<b>Seller Contributions</b>	<b>&gt;90% LTV:</b> Max. 3%; <b>≤90% LTV:</b> Max. 6%
<b>Ineligible Properties</b>	Manufactured housing; non-warrantable condominiums; condominium hotels (condo-tels); apartment/hotel conversions; model home leasebacks; vacant lots/land; time-share properties; homes unsuitable for year-round occupancy; unimproved land; earth, berm, dome, log and straw bale homes; >10 acres; working farms, orchards and ranches; student housing projects ("kiddie" condos); 2-4 units
<b>Ineligible Products</b>	Interest only; loans with scheduled or potential negative amortization; streamline refinances; renovation loans; loans with terms greater than 30 years; graduated payment mortgages
<b>Ineligible Attributes</b>	Post-closed loans; refinances of previously modified loans

**NOTE:** Any eligibility requirements not referenced above would defer to the then current Essent Underwriting Guideline Manual in [Rates & Guidelines](#) at essent.us. Base Conforming Loan Limit denotes the currently effective general loan limits as specified by the FHFA for the contiguous United States, AK and HI.

Mortgage Insurance provided by Essent Guaranty, Inc.

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