



To: All Customers **From:** Credit Risk
Date: 09/30/21 **Memo#:** 21134
Subject: **Government Guideline Updates**

The [FHA Underwriting Guidelines](#) and [VA Underwriting Guidelines](#) will be updated with the following changes effective immediately.

The following FHA and VA overlays listed below have been removed and will now follow the guidance from the [FHA Single Family Handbook 4000.1](#) and [VA Lenders Handbook](#).

FHA/VA OVERLAYS REMOVED	
MANUALLY UNDERWRITTEN TRANSACTIONS	3-4 Units are ineligible

The following VA overlays listed below have been removed and will now follow the guidance from the [VA Lenders Handbook](#).

VA OVERLAYS REMOVED	
VERIFICATION OF EMPLOYMENT	Reverification of employment related income must be completed within 10 days prior to the date of the note, excluding non-credit qualifying IRRRL refinances. Verbal re-verification of employment is acceptable. Third party verifications such as Work Number are acceptable.
REFINANCE TRANSACTIONS	Cash-Out Refinance - Maximum cash-in-hand 3-4 Units - \$300,000

The following VA overlays listed below are being revised.

VA OVERLAYS REVISED	
MAXIMUM LOAN AMOUNTS	Maximum loan amount not to exceed \$4MM
	Minimum 640 credit score required for loan amounts exceeding the conforming limit. <ul style="list-style-type: none">VA One Unit Conforming Loan Limit:<ul style="list-style-type: none">\$548,250 for the 48 Contiguous States, District of Columbia\$822,375 for Alaska, Hawaii and US Virgin Islands
	VA loan amount \$3 million and higher will require a second sign-off from Underwriting Regional Manager.

If you have questions, please email governmentuw@flagstar.com or call the underwriting support desk at (866) 945-9872.