

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"> • 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.</p> <p>Cryptocurrency (e.g. Bitcoin and Ethereum) may be used for funds to close under the following conditions:</p> <ul style="list-style-type: none"> • Funds must be liquidated into U.S. dollars. • Only 70% of the liquidated amount can be used for funds to close.
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 580 FICO <u>IRRRL:</u> Minimum 580 FICO *Base loan amount \geq \$1mm requires a minimum credit score of 700 (Full Doc and IRRRL).</p>
DTI	<p><u>Maximum DTI (Full Doc):</u></p> <ul style="list-style-type: none"> • Per AUS (DTI > 55% requires Underwriting Manager approval. Additional conditions may apply) • 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
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>Missouri:</u> Ineligible • <u>New York:</u> CEMA not allowed • <u>Texas:</u> 50(a)(6) not permitted • <u>Colorado:</u> <ul style="list-style-type: none"> ○ Income must be stated on the application ○ No analysis or verification of income is required

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Income	<p>Income docs must be dated within 60 days of the Note Date.</p> <p><u>Verbal Verification of Employment (VVOE):</u></p> <ul style="list-style-type: none"> • Salaried: Must be dated within 10 calendar days prior to the Funding date. 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"> • Self-employed: Must be dated within 20 calendar days prior the Funding date. 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>As a reminder, Impac does NOT allow a VVOE (or alternative documentation detailed herein) to be obtained post-closing. Further, a VVOE cannot be obtained on the actual Note Date.</p> <p><u>IRRRL:</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</p> <p><u>Maximum</u> loan amount: \$3,000,000 (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). VA allows up to 100% LTV (including VA Funding Fee for Type I cash-out refinances).</p> <p><u>IRRRL:</u> Maximum LTV (excluding VA Funding Fee) is 100%. VA allows unlimited LTV on IRRRLs.</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	Allowed