

Citi Credit Policy Overlays – Conventional and Government

For Correspondent Lending, Citi defines a credit overlay as credit criteria that are in addition to, or more restrictive than, Fannie Mae/Freddie Mac/ other investor credit policy or requirements on loan products and programs eligible for purchase by Citi.

The information below represents Citi's more prominent overlays. In some cases we have provided additional information to provide a better understanding of the overlay. **The Correspondent Manual should always be referenced for complete credit policy guidelines and requirements.**

CONVENTIONAL LOANS		DU	LPA	Manual Section
Topic	Policy Overlay			
Agency 95-97% LTV Option	Agency DU, Home Ready and Home Possible 97% Option - Minimum FICO=660*; maximum DTI=43%. <i>*Previously 680 minimum FICO</i>	X	X	233 235 406
Agency ≤ 95% LTV Option	HomeReady and Home Possible – Minimum FICO =620; maximum DTI=43%	X	X	233 235 406
Contract of Sale / Land Contract	An executed contract for deed/land contract must be seasoned for at least 12 months before the transaction is eligible for purchase by Citi. <i>State laws vary on these types of transactions including rescission periods and other restrictions.</i>	X	X	810
Deed Restricted Properties	Properties with deed restrictions (a.k.a. Resale restrictions) are eligible provided the deed restriction does not survive foreclosure, or, the restriction is for "Age Restrictions ONLY." <i>* Previously Citi only allowed for Age Restrictions</i>	X	X	808 802.2 802.3
HPML	Conventional loans not eligible	X	X	416
Ineligible Feedback Status	Findings of A-, Caution, Ineligible, Incomplete, Invalid or Out of Scope are not eligible. <i>Too many unidentified credit variables for Correspondent Lending.</i>	X	X	406 407
Investment Properties - LTV	DU/LPA 1 unit investment purchase and LPA 1 unit investment rate/term refinance transactions with LTVs between 80.01-85%: <ul style="list-style-type: none"> If DTI ≤ 43%, a minimum 660 FICO is required. If DTI > 43%, a minimum 740 FICO is required. 	X	X X	400 406 407
Liability Insurance	Liability insurance is required for Full Review condominium projects and cooperative projects.		X	608
LPA Jumbo - LTV	Maximum LTV/CLTV/HCLTV of 75% for 3-4 unit primary purchase or rate/term refi and 1-unit investment rate/term refi.		X	414
LPA – Minimum Credit Score	Minimum FICO score of 620 required		X	407
Non-arms Length Transaction, including Gift of Equity	Must have a full appraisal, regardless of the AUS findings. <i>Fraud risk; AUS does not recognize transaction type</i>	X	X	810
Mortgage Insurance (MI)	Not permitted: <ul style="list-style-type: none"> Financed MI Monthly lender-paid MI. (<i>Only single premium upfront lender-paid MI is acceptable</i>). 	X	X	406 407 413 414 904

CONVENTIONAL LOANS		DU	LPA	Manual Section
Topic	Policy Overlay			
Fannie Mae High LTV Refinance Option / Freddie Mac Enhanced Relief Refinance Mortgage	Citi is not currently offering these programs due to system constraints.	X	X	N/A
Freddie Mac HomeOneSM Mortgage	Citi is not currently offering this program due to system constraints.		X	N/A

CONVENTIONAL & GOVERNMENT LOANS			Manual Section
Topic	Policy Overlay		
Maximum Borrowers	There can be no more than four (4) borrowers per loan <i>Citi system constraints</i>		803 270-276
Ownership / Titling	"Tenants in Common with a Tenancy in Common Agreement" - This type of ownership/titling is not permitted. <i>Varying state and federal requirements</i>		803 270 -276
Manufactured Housing	Ineligible.		808 270-276

GOVERNMENT LOANS					Manual Section
Topic	Policy Overlay	FHA	FHA Streamline	VA	
Deed Restricted Properties	Properties with deed restrictions (a.k.a. Resale restrictions) are ineligible, <u>unless</u> the restriction does not survive foreclosure or is for "Age Restrictions ONLY".	X	X	X	X
FHA – Short Sale	Loans where the existing note holder(s) write off the amount of the indebtedness that cannot be refinanced into a new FHA mortgage (short payoff) are not eligible for refinance or purchase by Citi even if they meet HUD's requirements for short sales.	X			
FHA Occupancy Types	Primary Residences are the only occupancy type allowed on standard FHA loans. Second Homes and Investment properties are eligible occupancy types for FHA Streamline Refinance only.	X			
FHA Streamline – Application	An abbreviated application is not allowed, a full application must be completed. <i>LOS requirement.</i>		X		
FHA Streamline – Appraisal	Non-Citi Serviced Transactions: Citi requires a conventional AIR compliant appraisal that includes a Form 1004-MC. <i>Risk of unreimbursed expenses resulting from discrepancy between the value of the property upon liquidation and the loan amount.</i>		X		
FHA- VOE for Self-Employed	Documented verification of the existence of the business through directory assistance 30 days prior to Note Date is required.	X	X		

GOVERNMENT LOANS		FHA	FHA Streamline	VA	VA IRRRL	Manual Section
Topic	Policy Overlay					
HPCT (Higher Priced Covered Transaction) Rebuttable Presumption	Streamline programs not eligible. <i>For loans with an APR exceeding the Average Prime Offer Rate (APOR) plus ongoing MIP Rate plus 1.15%, establishing that the borrower(s) have the ability to repay is increasingly difficult for a transaction with reduced income documentation.</i>		X		X	275 276
HPCT (Higher Priced Covered Transaction) Rebuttable Presumption	The maximum DTI for an FHA HPCT loan is 43%. <i>For loans with an APR exceeding the Average Prime Offer Rate (APOR) plus ongoing MIP Rate plus 1.15%, establishing that the borrower(s) have the ability to repay becomes increasing difficult at higher DTI levels.</i>	X				270 416
Max CLTV	105%	X	X	X		270 271
	Non-Citi serviced transaction: 105%				X	275 276
Minimum Credit Score	< \$484,350– Transactions with a base loan amount ≤ \$484,350, prior to the inclusion of FHA UFMIP / VA Funding Fee, require a minimum 640 FICO regardless of the AUS finding.	X	X	X	X	270 271
	> \$484,350 - Transactions with a base loan amount > \$484,350, prior to the inclusion of FHA UFMIP / VA Funding Fee, require a minimum 660 FICO regardless of the AUS finding.					275 276
TOTAL Scorecard	“Refer Ineligible” is not eligible for purchase. <i>FHA endorsement is not a certainty.</i>	X				270
VA – Cash Out	90% of the amount on the CRV.			X		271
VA IRRRL – Appraisal	Non-Citi Serviced: Citi requires an AIR compliant conventional appraisal (2055 or better), including a Form 1004-MC. <i>Risk of unreimbursed expenses resulting from discrepancy between the value of the property upon liquidation and the loan amount.</i>				X	276
VA IRRRL – Mortgage Payment History	Non-Citi Serviced: 0x30 days late for the past 12 months <i>Difficult to confirm credit history with limited documentation.</i>				X	276
Work Completion Escrows/Escrow Holdbacks	Work must be completed and funds released prior to the purchase by Citi. <i>Correspondent’s underwriter (not Citi) must sign off on completion and release of funds</i>	X	X	X	X	270 271 275 276

Information in this matrix is not a complete representation of Citi policies. Refer to the Citi Correspondent Manual for detailed requirements. Information is subject to change without notice. In addition to applying these Citi specific overlays, all loans must also be underwritten in accordance with applicable guidelines.