

<p>Credit</p>	<p><u>Disputed accounts</u> on an applicant's credit report are not considered in the credit score. For manually underwritten loans, all disputed accounts must have a letter of explanation and documentation supporting the basis of the dispute. The lender is responsible for analyzing the documentation presented and confirming that the explanation and supporting documentation are consistent with the credit record during the underwriting analysis.</p> <p>Loans underwritten with the assistance of GUS that receive an underwriting recommendation of "Accept" will be downgraded to a manual "Refer" unless the following conditions are met on the credit report:</p> <ol style="list-style-type: none"> 1) The disputed trade line has a zero-dollar balance. 2) The disputed trade line is marked "paid in full" or "resolved." 3) The disputed trade line is more than 24 months old. 4) The disputed tradeline is current and paid as agreed 5) a documented payment from the creditor is included in the monthly debts; or 6) 5% of the state account balance on the credit report is included in the monthly debts <p>Loans downgraded for failure to meet any of these conditions are subject to a manual review and require the submission of the complete underwriting case file.</p> <p><u>Disputed accounts: Derogatory</u> Disputed derogatory accounts that must be considered are non-medical collections and accounts with late payments in the last 24 months.</p> <p>For all loan types, the lender may exclude the following:</p> <ul style="list-style-type: none"> • Disputed medical accounts/collections • Charged off accounts • Disputed derogatory accounts that are the result of identity theft, credit card theft or unauthorized use when evidence (police report, attorney correspondence, creditor statement) is provided to support the applicant's explanation; or • Accounts of a non-purchasing spouse in a community property state <p><u>GUS Accept Files –</u> GUS Accept files with less than \$2,000 in disputed derogatory accounts will require the lender to determine if the disputed account may impact the applicant's ability to repair the proposed mortgage obligation. Each account (excluding those listed above) must include a minimum monthly payment of</p> <ol style="list-style-type: none"> 1) The payment state on the credit report, or 2) 5% of the balance of the account, or 3) A lesser amount documented from the creditor. <p>A GUS Accept must be downgraded to a Refer when the applicant has \$2,000 or more collectively in disputed derogatory accounts in the last 24 months.</p> <p><u>Refer/Manual Loans</u> The lender must analyze the potential impact to the applicant's ability to repay the proposed mortgage debt with disputed derogatory accounts. Each account (excluding those listed above) must include a minimum monthly payment of</p> <ol style="list-style-type: none"> 1) The payment state on the credit report, or 2) 5% of the balance of the account, or 3) A lesser amount documented from the creditor.
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