

CONVENTIONAL NO MI MANUAL UNDERWRITE CONSIDERATION

Fannie Mae's HFA Preferred Risk Share (No MI) option is temporarily broken in DU. Below explains the second option offered by Virginia Housing until DU is corrected to temporarily consider a manual underwrite.

- It is the Originating Lender's responsibility to ensure all Fannie Mae manual underwrite requirements are met. Some additional manual underwrite requirements include, but are not limited to, a maximum 95% LTV, lower than the standard 45% maximum DTI depending on credit score, and up to 6 months reserves may also be required depending on credit score. Originating Lenders must review the [Fannie Mae Selling Guide](#) to ensure all requirements are met (typically found within the Home Ready sections).
- Delegated Originating Lenders are required to submit these to Virginia Housing before closing after they have been fully approved by the lending underwriter. A full package must be submitted using the [Underwriting Submission Checklist](#) and the Exception Utility must be run in Mortgage Cadence. If unfamiliar with submitting an exception, see the [Mortgage Cadence User Guide](#) (page 72).
- Please run the loan through DU first as an HFA Preferred showing it received an Approve/Eligible using this program and include in your submission (this will include, some, but not all, of the risk DU can identify to help Virginia Housing). Then correct it to the HFA Preferred Risk Share and provide the Out of Scope findings also.
- Mortgage Cadence may require a Fannie Mae Approve/Eligible in the AUS fields even with these Out of Scope loans. Please input Approve/Eligible and Virginia Housing will change it to Out of Scope after the loan is cleared to close.
- Virginia Housing may be willing to consider greater than 95% up to 97% LTV on a case by case exception basis for these manually underwritten loans. The lending underwriter must include a detailed memo to the file explaining the exception request and list the compensating factors for consideration.