

# DESKTOP UNDERWRITER® (DU®) AND LOAN PROSPECTOR® (LP) GUIDELINES



## 1 Loans must receive one of the following recommendations:

- Desktop Underwriter®
  - Approve
  - Expanded Approval
- Loan Prospector®
  - Accept

## 2 Lenders must confirm that the loan meets these eight key guideline overlays:

- PMI's Eligibility matrix
- Minimum verified 3% down payment from the borrower's own funds (5% for high balance; 10% for second homes)
- Borrower's must have minimum 2 months of verified reserves
- Credit score is valid, i.e., at least three trade lines are evaluated for a minimum of 12 months

- Full Appraisal required (Ineligible: 2055, 2070 and 2075)
- PMI's Distressed Markets matrix, policy and guidelines must be utilized
- Condominium Project Criteria
  - Limited and Streamlined reviews allowed with maximum 30% investor concentration
  - All other condos must meet PMI Condo Project Criteria
- PMI's Property Flipping Policy

## 3 When underwriting loans using an Automated Underwriting System (AUS), PMI expects that the lender will:

- Employ prudent underwriting judgment when determining if a loan should be underwritten using DU or LP

- Confirm that all the information provided to DU or LP is accurate
- Assess the appraisal for accuracy and determine that the value is well-supported
- Use due diligence for red flags when reviewing the documentation provided
- Meet the credit report validation requirements
- Determine if there is any derogatory or contradictory information in the loan that could not be analyzed by DU or LP and take action regarding that information
- DU loans – ensure that the loan meets all the verification messages and approval conditions detailed in the findings, that the observations have been reviewed and addressed in the file
- LP loans – ensure that the loan meets the credit and loan processing information detailed on the feedback certificate

## 4 PMI's Eligibility Matrix

		FULL DOC									
		STANDARD					JUMBO LOANS				
		MAX LTV/CLTV	LOAN AMOUNT	MIN CREDIT SCORE	DISTRESSED MARKET CREDIT SCORE	MAX DTI	LOAN AMOUNT	MIN CREDIT SCORE	DISTRESSED MARKET CREDIT SCORE	MAX DTI	
<b>Owner-Occupied</b> <b>Purchase Only</b>	1 Unit SFD (attached <sup>1</sup> & detached, condos, <sup>1</sup> & PUDs)	97/97	\$417,000	720	NA	45	NOT ELIGIBLE				
	1 Unit SFD (attached <sup>1</sup> & detached, condos, <sup>1</sup> & PUDs)	95/95	\$417,000	660	720	45	NOT ELIGIBLE				
<b>Owner-Occupied</b> <b>Purchase or Rate/ Term Refinance</b>	1 Unit SFD (attached <sup>1</sup> & detached, condos, <sup>1</sup> & PUDs)	90/90	\$417,000	660	680	45	\$625,500*	700	740	45	
		85/85	\$417,000	660	680	45	\$625,500*	700	740	45	
		90/90	\$417,000	660	680	45	\$625,500*	700	740	45	
	Co-ops	90/90	\$417,000	660	NA	45	\$625,500*	700	NA	45	
		85/85	\$417,000	660	680	45	\$625,500*	700	740	45	
	2 Units	95/95	\$533,850	680	720	45	<b>INELIGIBLE FOR PMI'S DU/LP PROGRAM:</b> <ul style="list-style-type: none"> <li>■ Non-occupant co-borrower*</li> <li>■ Construction-Permanent loans*</li> <li>■ DU recommendations: Refer, Refer with Caution, Out of Scope</li> <li>■ LP Risk Classification: A-Minus or Caution</li> <li>■ Verbal VOE only</li> </ul> * Eligible using standard guidelines				
90/90	\$533,850	680	680	45							
85/85	\$533,850	680	680	45							
<b>Owner-Occupied</b> <b>Cash-Out Refinance<sup>2</sup></b> Maximum cash-out \$150,000	1 Unit SFD (attached <sup>1</sup> & detached, condos, <sup>1</sup> & PUDs)	90/90	NOT ELIGIBLE			45	<b>INELIGIBLE FOR PMI:</b> <ul style="list-style-type: none"> <li>■ Manufactured housing</li> <li>■ 3-4 units</li> <li>■ Third Party Originators</li> <li>■ Nontraditional credit</li> <li>■ Investment Property</li> <li>■ Interest-only loans</li> <li>■ Limited Documentation loans</li> <li>■ A-Minus program</li> <li>■ Potential or scheduled negative amortization mortgages</li> <li>■ Option Payment mortgages</li> <li>■ Rehabilitation loans</li> <li>■ Interested Party Contributions greater than 3% for properties in Distressed Markets</li> </ul>				
		85/85	\$417,000	720	NA	45					
<b>Second Home<sup>2</sup></b> <b>Purchase or Rate/ Term Refinance</b>	1 Unit SFD (attached <sup>1</sup> & detached, condos, <sup>1</sup> & PUDs)	95/95	NOT ELIGIBLE								
		90/90	\$417,000	720	NA	45					
		85/85	\$417,000	720	NA	45					
	Co-ops	95/95	NOT ELIGIBLE								
		90/90	\$417,000	720	NA	45					
		85/85	\$417,000	720	NA	45					
Cash-Out Refinance	NOT ELIGIBLE										

### NOTE:

1. Attached Housing is not eligible in Florida
2. Not eligible in Distressed Markets

\* Maximum \$625,500 in all markets; \$729,750 in specific FHFA high-cost areas only

