

Continuity of Income

Applies to Mortgages in process and remains in place for Mortgages with Application Dates on or before ~~May 17, 2020~~ extended to June 20, 2020

Conforming

All Conforming Loans:

- Borrowers must be employed and working at time of closing
- If a Borrower's employer has temporarily shut down, the loan cannot close until the business has reopened
- Borrower's that have been furloughed cannot close until they have returned to work
- Borrower's that have been laid-off cannot close until they have secured employment
- If income has been reduced, the reduced income must support the loan payment and all other debt obligations

GMFS Overlay: None

FHA

All FHA Loans:

- Borrowers must be employed and working at time of closing.
- If a Borrower's employer has temporarily shut down, the loan cannot close until the business has reopened
- Borrower's that have been furloughed cannot close until they have returned to work
- Borrower's that have been laid-off cannot close until they have secured employment
- If income has been reduced, the reduced income must support the loan payment and all other debt obligations

GMFS Overlay: None

VA

All VA Loans:

- Borrowers impacted by COVID-19 (furlough, reduced income, etc.), are eligible for a VA loan provided they have returned to work in the same capacity and income levels
- If income has been reduced, the reduced income must support the loan payment and all other debt obligations
- Borrowers need to provide furlough letters where applicable
- Lenders must document their analysis and justifications for all Borrowers, especially for "borderline" cases
- If a Borrower's employer has temporarily shut down, the loan cannot close until the business has reopened
- Borrower's that have been furloughed cannot close until they have returned to work
- Borrower's that have been laid-off cannot close until they have secured employment

GMFS Overlay: None

USDA

All USDA Loans:

- Borrowers must be employed and working at time of closing
- Borrower's that have been laid-off or furloughed cannot close until they have returned to work
- Borrower's with no income from employment at time of closing are not eligible for a USDA loan
- Lenders must document and verify the Borrower's ability to repay
- If income has been reduced, the reduced income must support the loan payment and all other debt obligations

GMFS Overlay: None