

Correspondent Program Overlays



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Correspondent Program Overlays

*In any instance in which this Overlay Matrix conflicts with the terms of the posted Product Matrices, the Product Matrices shall control.

| Topic | Conventional Loan Policy Overview | FNMA | FMHL |
|------------------------------|--|------------|------|
| | | Applies to | |
| Temporary Buydowns | Not Permitted | X | X |
| Borrower Eligibility | <ul style="list-style-type: none"> Evidence of a valid social security number is required for all borrowers | X | X |
| AUS and Underwriting | Desktop Underwriter (DU) with 'Approve/Eligible' finding is required | X | |
| | Loan Prospect Advisor (LPA) with LPA 'Accept' recommendation is required | | X |
| | Manual underwriting is not permitted | X | X |
| Minimum Credit Score | <ul style="list-style-type: none"> Bulk Bids: 620 Best Efforts* <ul style="list-style-type: none"> 1 Unit: Minimum 660 FICO 2-4 Units: Minimum 680 FICO <p>* Owner Occupied not eligible for best efforts execution</p> | X | X |
| Credit | Use of non-traditional credit is not acceptable | X | X |
| Ineligible Products | HomeStyle Renovation Mortgages/Energy Mortgages Construction to Perm Mortgages; Single Close Transactions Temporary Buydowns Interest Only Loan Program HUD184 | X | X |
| Ineligible Properties | Manufactured Homes Co-ops | X | X |
| | Community Land Trusts | X | X |

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|--|---|------------|-------|
| | | Applies to | |
| Appraisals | A successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac is required. SILVER HILL CAPITAL will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable. | x | x |
| | Loans in disaster impacted areas – see Special Products Seller Guide for re-inspection requirements | x | x |
| | Appraisal Condition rating of a C5 | x | x |
| Condo Project Review | <ul style="list-style-type: none"> All lender manual reviews must be accompanied by documented evidence that the subject condominium project does not have an existing approval in Freddie Mac’s Condo Project Advisor (CPA) or in Fannie Mae’s Condo Project Manager (CPM) | | x |
| Geographic Restriction | <ul style="list-style-type: none"> Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted | x | x |
| State Restriction | <ul style="list-style-type: none"> Transactions in the State of Texas subject to 50(a)(6) are not permitted | | x |
| | <ul style="list-style-type: none"> New York properties – maximum 80% LTV on purchase transactions | x | x |
| High Cost Loans | Silver Hill Capital will not purchase High Cost Loans | x | x |
| Down Payment & Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted | x | x |
| Seasoning Requirements | Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to SILVER HILL CAPITAL for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by SILVER HILL CAPITAL within 60 days of the note date. | x | x |
| Mortgage Insurance | Reduced MI is not permitted | x | |

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| | | Applies to | |
| Escrow Waivers | <ul style="list-style-type: none"> Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions | x | x |

| Version Control | | | |
|-----------------|--------------------------------|----------|---|
| Author | Section | Date | Update |
| DH | Borrower Eligibility | 08.07.24 | Added Evidence of a valid social security number is required for all borrowers |
| DH | Borrower Eligibility | 09.18.24 | Removed Loans must meet the requirements of the Residency and Eligibility Guide |
| DH | Employment/Income Verification | 09.18.24 | Removed Tax transcripts are required when: <ul style="list-style-type: none"> When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below: <ul style="list-style-type: none"> Self-employment income Rental Income Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.) Employment by Family Members Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.) When a written VOE form 1005 is used as standalone income verification |

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|----|----------------------|----------|---|
| | | | <ul style="list-style-type: none"> When amended tax returns have been filed, tax transcripts are required and must support the amended income |
| DH | Condominiums/PUDs | 10.01.24 | Removed PERS approval not permitted |
| DH | Employment/Income | 06.18.25 | Removed Fannie Mae approved third party suppliers and distributors that generate asset verification reports are not permitted for the purpose of verifying employment or income. |
| DH | Condo Project Review | 01.21.26 | Added row All lender manual reviews must be accompanied by documented evidence that the subject condominium project does not have an existing approval in Freddie Mac's Condo Project Advisor (CPA) or in Fannie Mae's Condo Project Manager (CPM) |