

## NOTICE TO ALL CUSTOMERS

### FHA DTI Overlay Removal

FLC Bank announces the removal of the following overlays effective immediately. This change is part of our ongoing effort to provide qualified borrowers with access to affordable housing and our continued support to responsible lending.

Topic	Prior DTI Overlay	New DTI Guideline
<b>Maximum DTI (Loans without Gift Funds)</b>	AUS Approve/Eligible 50%. Increased DTI up to 55% with a Credit Score of 660.	Per AUS with DU Approve/Eligible or LPA Accept
<b>Maximum DTI for Loans with Gift Funds</b>	Maximum DTI Ratio of 40/50% with AUS Approve/Accept.  Exceptions for increased ratios up to 45/55% are permitted if any one of the following criteria can be met: <ul style="list-style-type: none"><li>○ Verification of satisfactory similar housing payment via cancelled checks or an institutional VOR documenting that the proposed housing payment (PITIA) is no more than 25% higher than current housing payment; new total debts are similar or lower than current debts; and the borrower(s) has no less than 3 traditional credit tradelines reporting with a 24-month history; or</li><li>○ The LTV is 95% and the minimum required investment of 3.5% is from the borrower's own funds; or</li><li>○ The LTV is equal to, or less than 90% (all funds for down payment can be derived from gift funds); or</li><li>○ Significant additional income not reflected in qualifying income; or potential of increased earnings based on employment/education career; residual income.</li></ul>	Maximum DTI Ratios of 45/55% with DU Approve/Eligible or LPA Accept

For more information, please access the guidelines posted in our [Resource Center](#).

Please contact your [Account Executive or Client Relations Representative](#) if you have any questions.