

019-19
08-14-2019

Conventional QM Higher Priced Mortgage Loan: Overlay

EFFECTIVE DATE: 09-19-2019

Please be advised that First Guaranty Mortgage Corporation is implementing an overlay specific to Conventional Qualified Mortgage (QM) loans that are identified as Higher Priced Mortgage Loans (HPML).

Conventional QM HPML loans are ineligible when one or more of the following applies:

- Documentation = Not Full Doc
- ARM
- Interest Only
- Escrows Waived
- DTI \geq 40%

Reference the table below for a comparison of eligible vs. non-eligible HPML Conventional QM loans:

If Conventional QM HPML <i>and</i> one or more data points apply, then ...	
Data Points:	Ineligible:
Documentation Type:	Non-Full Doc
Amortization Type:	ARM
Amortization Term:	Interest Only
Escrow:	Not Escrowed
DTI:	\geq 40%

Loans that meet one or more of the data points noted above are ineligible per the below timeline:

- Retail and Wholesale – Applications dated on or after 9-19-2019.
- Non-Delegated – Submissions received on or after 9-19-2019.
- Delegated – Loans delivered on or after 09-19-2019.