

Attn: HFA Lenders,

**AUS Approval Not Received for All Borrowers
Borrowers with No Credit Scores
Non-Traditional Credit Use Updates**

May 26, 2015

When evaluating a borrower who does not have sufficient credit to support an AUS Approval or has erroneous / inaccurate credit or disputed credit, use of non-traditional credit is required. Non-traditional credit is not used to offset bad credit.

Effective with loans reserved on or after **July 1, 2015**:

- USBHM will follow Fannie Mae and Freddie Mac for Agency loans.
- USBHM will follow Government guidelines for FHA, VA and USDA Loans.
- The following additional guidelines will apply to all loans when non-traditional credit is used:
 - Maximum 36% Debt-to-income ratio
 - Minimum two months PITIA reserves after closing (or per product guide if greater)

Please contact the HFA Hotline with any questions you may have: 800-562-5165 Option #2

