

Bulletin 20-26

Update to Government Transactions Minimum Credit Score Requirement for Purchase Transactions

Homebridge is updating the minimum credit score requirement for government program purchase transactions. The new minimum credit score for FHA, VA, and USDA purchase transactions is 620 when the transaction meets specific requirements as detailed below.

Transactions with a 620-639 Credit Score

- Purchase transactions **only**; refinance transactions **ineligible**
- An “Approve/Eligible” AUS finding is required. Manual underwriting is ineligible (i.e. transactions with a “Refer” finding or transactions that require a downgrade)
- Maximum DTI 43%
- Down payment and/or any required reserves **must be from borrower own funds**; gift funds are **ineligible**
 - Gift funds are eligible to reduce the LTV after the minimum down payment, if applicable, from borrower own funds requirement has been met

Pricing Adjustor

- Credit score 620-639: 1.50 pricing adjustor applies

Previously issued policy and pricing adjustors, detailed in Homebridge [Bulletin 20-10](#), continues to apply to apply to FHA, VA, and USDA transactions with a credit score of 640-659

The Homebridge FHA, VA, and USDA guidelines and supporting materials will be updated with this information in the near future and posted on the Homebridge website at www.HomebridgeWholesale.com

This update is effective immediately for transactions locked on or after May 15, 2020.

Pricing adjustor will be added to the Homebridge rate sheet as of May 15, 2020

If you have any questions, please contact your Account Executive.