

# Cash-Out Refinance Underwriting Standards Overview

Date: [Insert Date]

Dear [Recipient's Name],

This letter serves as an overview of the underwriting standards for cash-out refinance transactions. Understanding these criteria is essential for ensuring compliance and optimizing the processing of applications.

## 1. Eligibility Requirements

- Minimum credit score of [Insert Credit Score]
- Equity position of at least [Insert Percentage] %
- Borrower must occupy the property as a primary residence

## 2. Documentation Needed

- Recent pay stubs and W-2s
- Two years of tax returns
- Bank statements for the last two months

## 3. Debt-to-Income (DTI) Ratio

The maximum DTI ratio should not exceed [Insert Percentage] %. This includes all monthly obligations to ensure manageable repayment capability.

## 4. Loan-to-Value (LTV) Ratio

The LTV ratio must be maintained at or below [Insert Percentage] %. This ratio is crucial in assessing risk and eligibility.

## 5. Additional Considerations

Other factors such as property type, loan amount, and borrower financial stability will be reviewed to make informed lending decisions.

For any questions or further details regarding these underwriting standards, please feel free to reach out.

Sincerely,

[Your Name]

[Your Title]

[Your Company]

[Your Contact Information]