

Requirements For the 1st Mortgage Loan

Key Factors

Loan-To-Value	97%
Minimum Borrower Contribution (own funds)	1%
Acceptable Sources of Funds for Down Payment/Closing Costs	Personal gifts, gifts or grants from a qualified entity, employer assistance Gift Letter is required. Minimum borrower contribution from own funds MUST be met before other acceptable sources of funds are permitted.
Pre-purchase Home-Buyer Education and Counseling Requirements	It is mandatory that all borrowers attend Home-Buyer Education Classes. If the borrower should fall 45 days delinquent one-on-one financial counseling is also mandatory at that time.

Eligibility

Loan Purpose and Terms	Fixed rate product, fully amortizing first mortgage Terms up to 30 years
Occupancy and property type	Owner occupied principal residence, including eligible condominiums Manufactured homes must meet FHA guidelines (permanent foundation)
CLTV Limits and Subordinate Financing	Maximum CLTV 105%

Underwriting

Manual Underwriting	All loans will be manually underwritten. Some will also be subject to a 2 nd review
Ratios	33/48 Student loans that are deferred will not be included in the ratios Only active payments on credit card accounts will be used in the ratio
Credit Score	580
Credit	A tri-merged credit report will be required Must have 3 trade lines within the last 12 months including rental history Past due accounts and non-medical collections will be reviewed Out of bankruptcy and foreclosure for 1 year
Income	Must demonstrate ability to repay Self-employed borrowers must have 2 year history and year-to-date profit & loss 2 year history of employment (2 year history for part time also)
Property	Appraisal Required House must be in good condition with no repairs noted on appraisal
Ownership of Property	Borrower may not have ownership in other residential dwellings (Timeshare ownership does not apply)
Insurance	Homeowners Insurance is required listing correct mortgagee clause All loans are required to be escrowed