

GUIDELINE CHEAT SHEET

As of 10/01/2010

*****All Loans must qualify at the full P & I payment.**

Conforming:

- Minimum 620 FICO score (sizable hit to price)
- Maximum Loan amount \$417,000 SFR; \$533,850 for 2 units; \$645,300 3 units; \$801,950 4 units.
- Maximum DTI 45% (can go higher case by case - not to exceed 50% - DU, LP will determine)
- Maximum 90% LTV (min 720: 85% min- 700) with MI (DTI has to be 41% for MI companies to approve FICO) for purchase and rate & term refinance. Loan has to be fully underwritten by the MI company for an additional 72-96 hours of turntime. Guidelines are tighter and it is increasingly difficult to obtain MI.
- Cash Out Max LTV 80% (no limit on cash out). *(If there is a 2nd mortgage/HELOC that was not apart of original purchase and is currently open, must be cash out regardless if balance is zero or the number of years they had it. If it has been closed for over 12 months, ok to be no cash out.)*
- House must be owned for at least 12 months in order to use new appraised value for cash out transactions.
- 2nd Home 80% LTV Cash out.
- 1 day off MLS is ok for Rate/Term. 6 months for Cash out. Loan application must be taken after listing has been cancelled
- 30 and 15 year fixed product as well as 3,5,7,10 year ARMS (ARMS have Interest Only option)
- Minimum 2 months PITI reserves (can be viewed case by case if strong compensating factors)
- N/O/O max cash out 75% LTV, must have 6 months PITI reserves for all N/O/O properties.
- Must have minimum 3 trade lines with 12 month history. Non-traditional credit not allowed.
- Expanded Approvals not available
- Pricing adjustments will apply on all loans below 740 fico. Below 680 fico, the pricing adjustments are significant.
- Can purchase up to 4 properties (3 rental, 1 primary). If borrower owns more than 4 financed properties, the loan is not eligible.
- CH 7 discharged 4 years/ Ch 13 BK must be discharged at least 2 years. F/C 7 years. Consumer Credit Counseling like a BK Ch13.
- 80% LTV and below – all down payment can be gifted (must be sourced and seasoned 2 months), 80% LTV and above have to have 5% of own funds.

Conforming Jumbo: (mainly use for Purchase or No cash out refinance transactions)

- Minimum 620 FICO
- SFR/PUD/Condo as well as 2-4 unit properties allowed

- Maximum loan amount \$729,750 (depends on zip code – see list of zip codes) for 1 unit properties. \$934,200 for 2 unit, \$1,129,250 for 3 unit and \$1,403,400 for 4 unit.
- Maximum cash out 75% LTV (Freddie Mac Only). *If there is a 2nd mortgage/HELOC that was not apart of original purchase and is currently open, must be cash out regardless if balance is zero or the number of years they had it. If it has been closed for over 12 months, ok to be no cash out.*
- Maximum 80% LTV purchase or R/T with 620 FICO.
- 2 Months PITI reserves required for owner occupied loans.
- 30 year fixed and 5/1 ARM

Jumbo:

- Maximum \$2 million loan amounts. (NOTE: MI doesn't insure jumbo loans at the moment)
- Purchase or rate & term refinance up to 80% LTV
- Maximum LTVs will be reduced based on whether the property is located in a declining market
- Minimum loan amount \$150,000
- Maximum DTI 45%
- 6 - 12 Months PITI reserves
- Minimum 700 FICO. Minimum fico score will change depending on loan amount, LTV and purpose
- SFR/PUD/Condo as well as 2-4 unit properties allowed
- Cash out up to 80% LTV.
- Looser cash out guidelines than conforming. If didn't pull out any cash in past 12 months –R/T
- Owner Occupied only.
- 30 year fixed and ARM 3/1, 5/1, 7/1 and 10/1 (only ARMS can be interest only)
- No bankruptcies or foreclosures in the past 7 years
- Very competitive pricing.

FHA: (MIP required regardless of LTV) (O/O, SFR, CONDO, 2-4 units) .

- Minimum 640 FICO on purchase and refinances (including streamlines).
- CH 7 / CH 13 BK must be discharged at least 2 years. Foreclosure at least 3 years.
- Maximum loan amount \$729,750 (depending on zip code)
- Maximum 96.5% LTV. Finance MIP (Mortgage Insurance Premium) into the loan, thus making it close to 100%. *(Example: Purchase price \$300,000- 96.5% would make the base loan amount \$289,500; with MIP the loan amount would be roughly \$295,000 financed by borrower. Title shows \$295,000, home value is \$300,000)*
- No reserve requirements
- 3.5% can be a gift – gift must come from relative (sourced only).
- Non-occupant co- borrowers can help qualify (purchase only).
- 45% DTI (with good compensating factors can go to 50%)
- Maximum cash out 85% LTV with MIP (unlimited cash out)

- If borrower has and is current on an existing FHA loan, has made a minimum of 6 payments and wants to get rate/term refinance, it becomes streamline – no appraisal needed
- 30 year fixed, 5 and 1 year ARMS only. (No interest only)
- Very few adjustments make overall pricing better especially at the lower credit scores
- 3-4 unit borrower must have 3 months PITI on purchase. Reserves can't be gifted.