

IDEAL MORTGAGE BANKERS

FHA LENDING MATRIX

FULL DOC	General FHA Requirements
<p>Wage Earner</p> <ul style="list-style-type: none"> 1) 2yrs W2's and current paystub <ul style="list-style-type: none"> a. 4506 is required and checked prior to close <p>Self Employed Sole Proprietor:</p> <ul style="list-style-type: none"> 1) 2 yrs signed and dated tax returns (all schedules) 2) YTD P&L from accountant <p>Self Employed Partnership or S Corp:</p> <ul style="list-style-type: none"> 1) 2 yrs signed and dated Personal and Business tax returns (all schedules) 2) YTD P&L from accountant <p>General Notes:</p> <ul style="list-style-type: none"> 1) 2 yrs continuous employment necessary for primary borrower 2) Part time job can be 1 yr minimum 3) Borrower is considered self employed with 25% or greater ownership interest in a business 	<ul style="list-style-type: none"> 1) 1-4 Unit, Condo and PUD Owner occupied properties only. 2) All Loans subject to FHA loan limits by state and county (visit www.hud.gov) 3) No Cashout refinances and purchases Max LTV 97.75% 4) Cashout refinances 1-2 unit Max LTV 95% <ul style="list-style-type: none"> a. Cashout with 30 or 60's on mortgage Max LTV 85% 5) Cashout refinances 3-4 unit Max LTV 85% 6) No reserves on ALL refinances, ALL LTV's, ALL property types, Purchases 1-2 unit 7) 3 months PITI required on 3-4 unit purchases ONLY (No gifts) 8) Gifts permitted and are considered borrowers own funds (Except on #7 above) 9) NO government loans in default 10) NO credit, NO credit score is OK, can build alternative trades, 3 trades for 12 months 11) Debt Ratio should not be higher than 31/43...can be up to 40/50 with compensating factors 12) 6% seller concession on all purchases 13) Minimum FICO is 500
<p><u>Foreclosure/Deed in Lieu</u></p> <ul style="list-style-type: none"> 1) Foreclosure seasoning based on sale or payoff date 2) Deed in Lieu seasoning is based on completion date of the action 3) Generally borrower must have no Foreclosure or Deed in Lieu in previous 3 years <ul style="list-style-type: none"> a. if foreclosure was result of extenuating circumstances beyond the borrowers control and borrower has re-established credit since the foreclosure loan can be reviewed for exception. 	<p><u>Bankruptcy</u></p> <ul style="list-style-type: none"> 1) Chapter 7 must be discharged minimum of 2 years <ul style="list-style-type: none"> a. Minimum of 1 year with extenuating circumstances-requires explanation and proof 2) Chapter 13 ok with a minimum of 12 months in BK and 0x30 pmt history to trustee. 3) Required docs include: <ul style="list-style-type: none"> a. Evidence plan has been confirmed b. Trustee rating c. Written demand from trustee d. Notice of Right to Encumber or Trustee Letter from court (written approval) e. No major lates after bankruptcy
<p><u>Mortgage/Rental History</u></p> <ul style="list-style-type: none"> 1) 12 month mortgage history must be documented by credit report, VOM, Management company VOR, or 12 months cancelled checks. <ul style="list-style-type: none"> a. Private party VOR is acceptable with 620 fico and 2 as agreed tradelines b. Borrowers with <620 fico and private party VOR/or no rental history are subject to DU/LP approval 2) If borrower is purchasing property they are currently renting, cancelled checks are required. Cancelled checks may be waived if borrower has 620 fico, 2 as agreed trades and proof seller is current on the mortgage. 	