

**IDEAL MORTGAGE BANKERS****FHA LENDING MATRIX**

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