



Elements of FHA Mortgages

Highlights

3.5% Down Payment

- 96.5% Financing on 1 - 4 unit properties
- 580 Minimum FICO
- No Cash Reserves required after closing

580
Minimum FICO

Credit

580 Minimum FICO

- No Tradelines Required with AUS Approval, Alternative / Adverse Credit OK
- No Bankruptcy in last 2 years, No Foreclosure in last 3 years
- Non Traditional Credit allowed with ratios to 31/43 (FHA Mortgage Letter 2008-11)

Income & Employment

50% Ratios and Higher

- Ratios of 50% and Higher are Allowed with AUS Approval
- W2s & most recent pay stub with YTD earnings for income verification
- Non Occupants Co-Borrowers - combine all income to qualify - 1 unit only

Ratios Over 50% Allowed

Assets

6% Max Seller Contribution

- Gifts allowed for full down payment, closing costs, escrows, prepaids, and MIP
- 6.0% Seller Contribution on 3 & 4 unit properties
- No Cash Reserves required on 1 & 2 units

Property

Owner Occupied Only

- 1 - 4 Unit Properties - SFR, PUD, Condo, 2 - 4 Flats
- Condos must be in an FHA Approved Project
- Manufactured Homes allowed - 680 Minimum FICO required

Misc

- Max of 1 FHA mortgage - some exceptions are allowed
- No Income Limits
- Gifts can be from a blood relative or close family friend
- Files are Underwritten to 4001 FHA Handbook

Manufactured Homes Allowed (680 FICO required)

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5-1

FHA

Fixed & Adjustable Mortgages

Other restrictions apply, for complete details call:

**Wholesale / Correspondent
Lending Division**

855-528-4572
www.mamtpo.com

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