



Documentation Requirements	All loans must meet standard FHA loan documentation and qualification requirements		
Exceptions	Exceptions to guideline requirements will be made on a case-by-case basis with Sr. management approval		
Owner Occupied Only 580 Minimum FICO for Purchase and R/T- 600 Minimum for Cash Out	Property Type	Purchase and R/T- LTV's	Cash Out LTV's
	1-4 Unit	P 96.5% and R/T 97.75%	85%
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	Manufactured- 650 score (Retained Product Only) Please review guides below	P 96.5% and R/T 97.75%	85%
Terms/Product	<ul style="list-style-type: none"> Fixed: 30,25,20 and 15 Yr. only, FHA 5/1 Arm Loan amounts limits https://entp.hud.gov/idapp/html/hicostlook.cfm 		
FHA One Time Close Construction Loan	<ul style="list-style-type: none"> 620 credit score for Stick Built Homes 650 credit score for Manufactured Homes 30 year term loans 120, 180, 270, and 360 day terms 		
Underwriting Details	<ul style="list-style-type: none"> All loans are run through DU or LP w/AUS approval Manual Underwrites only allowed when AUS is picking a Chapter 13 bankruptcy discharge less than 2 years ago. Max DTI 43% on Manual underwrite with re-established credit All loans require a signed 4506t VOE required on all hourly compensated borrowers - (required on most/all loans), breaking down income. (Examples- new job, job gaps, etc.) Most recent 2 months bank statements required Verbal Verification of employment is required prior to closing Cash out loans are not permitted in Texas (FHA) Resale-deed restrictions are not permitted Non-Traditional Credit/ No Score Policy- Mid America Mortgage will approve a true "no score" loan on an exception basis. Please refer to mortgage letter 2008-11. Have your Account Executive review the credit report or non-traditional trades before submitting the application. Loan will be priced as a "no score loan". FHA Retained product will allow a 640 and below credit scores. Cash out Transaction requires a LOX verifying reason for cash under the following circumstance- if only the mortgage is marked as being paid off by the Cash out refinance and no other debts on the 1003 are indicated as being paid by the transaction. FHA Handbook: https://www.hud.gov/sites/documents/40001HSGH.PDF 		
Manufactured Homes	<ul style="list-style-type: none"> Retained Product Only 10 Acres Max DPA's not allowed for Manufactured Homes Gift of Equity not allowed on Manufactured Homes 650 Credit Score Required Property must meet HUD guidelines 		
Credit Score	<ul style="list-style-type: none"> 580 - Lower of 2 or Middle of 3 repositories. 600 - Cash out The credit bureau has to be dated within 30 days of application date, no more than 90 days at time of underwriting and 120 days to closing 		
Down Payment	<ul style="list-style-type: none"> 3.5% down payment required on Purchase transactions (gift funds allowed) 		



Seller Contributions	<ul style="list-style-type: none"> • Maximum 6% of sales price- limited to the following • Buy-down funds (if applicable) • Seller Paid Closing costs • Discount Points • Prepaid Expenses • UFMIP
Seasoning for a Refinance	<ul style="list-style-type: none"> • Effective with commitments issued on or after March 1, 2018, Mid America Mortgage is aligning with Ginnie Mae’s seasoning requirements announced in Ginnie Mae APM 17-06. • Streamline and cash out refinance transactions are only eligible if: <ul style="list-style-type: none"> • The borrower has made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date, and • The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the loan paid off through the transaction. • This update will impact FHA cash out and all VA refinances. FHA Streamline transactions must continue to meet FHA’s seasoning requirements. • Loans that do not meet this seasoning requirement must be purchased on or before March 15, 2018, with a first payment date no later than April 1, 2018
DPA Assistance	<ul style="list-style-type: none"> • Subject to approval by Mid America Mortgage • Not Allowed on Manufactured Homes • Borrowers who choose to make a down payment may use a Government or Municipal Down Payment Assistance Program (DPA). • First Mortgage sold to Mid America Mortgage is not subject to terms of a bond program • DPA- cannot restrict the transfer of servicing rights for the first mortgage or require prior notification or approval from the sponsoring authority in the event of the transfer of the first mortgage’s servicing rights
3rd Party Processing Companies	<ul style="list-style-type: none"> • If utilizing a 3rd party for processing services- The loan must be locked and submitted under the Retained Product
Subordinate Financing	<ul style="list-style-type: none"> • Approved DPA’s permitted
Reserves	<ul style="list-style-type: none"> • Reserves required for 3-4 unit properties – 3 month PITI • Manual Underwrites require 1 months PITI reserves
Mortgage/Rent History	<ul style="list-style-type: none"> • Follow AUS findings unless credit is limited then underwriter has the discretion to request a bona-fide VOR or 12 months cancelled checks
Occupancy	<ul style="list-style-type: none"> • Owner Occupied Primary residence only. (acceptable non-occupying co-borrowers are allowed)
Debt to Income Ratio	<ul style="list-style-type: none"> • Follow AUS findings
Bankruptcy	<ul style="list-style-type: none"> • Minimum 2 Years
Foreclosure	<ul style="list-style-type: none"> • Minimum 3 Years completed. Seasoning based off the property transfer date
Property Types	<ul style="list-style-type: none"> • Single Family Attached and Detached, Condo, PUD and Manufactured Homes (Manufactured homes require a 650 score and a limit of 10 acres)
Condominium	<ul style="list-style-type: none"> • Condominium must be currently approved by HUD (FHA).
Mortgage Insurance	<ul style="list-style-type: none"> • 1.75% UFMIP
Cash out	<ul style="list-style-type: none"> • 85% (minimum FICO of 600 required)



Appraisal	<ul style="list-style-type: none"> • Full FHA 1004 Appraisal is required. • Wholesale orders appraisals through Mortgage Machine portal • Non-Delegated Correspondents- order appraisals through their AMC's
Escrows	<ul style="list-style-type: none"> • Escrow of Tax, Insurance and MIP are required on all loans.
Property Flips	<ul style="list-style-type: none"> • Flip transactions are eligible. (seller must have acquired property 90 days prior to date of sales contract and Case #)
Number of Financed Properties	<ul style="list-style-type: none"> • Limit to one other FHA financed property unless applicants meet FHA special criteria for exception
Non Arm's Length Transactions	<ul style="list-style-type: none"> • Allowed – must meet HUDs "Identity of Interest" guidelines
Eligible States	<ul style="list-style-type: none"> • Eligible in all Mid America Mortgage licensed states.
Paying off revolving det to qualify	<ul style="list-style-type: none"> • If a purchase & revolving debt is being paid off to qualify for the new loan – the revolving debt needs to be paid off prior to close and supplement obtained.
IRS Tax Transcript and W2 Transcript Policy	<ul style="list-style-type: none"> • If Tax Returns are submitted with the file- IRS transcripts will be required. • No Transcripts are required when all income information used to decision a loan is made exclusively of wage earner income reported on a W-2 and /or fixed income reported on a 1099 (Ex. Social Security or VA benefits), unless required by AUS. • Self-employed, commissioned and rental income will require tax transcripts • Instances where Tax Transcripts would be required regardless of income and employment sources. <ul style="list-style-type: none"> ▪ Handwritten paystubs are used as verification of income ▪ Borrower(s) is employed by a family member ▪ Relationship between the parties ▪ Borrower and Seller are related ▪ Borrower is employed by the Third Party Originator Company ▪ the underwriter's or QC discretion, if needed to verify income calculations or to address red flags ▪ If Tax returns are delivered with the file at time of application
Well and Septic Systems	<ul style="list-style-type: none"> • Please refer to Mortgagee letter Mortgage Letter 2002-25 • For FHA, we would require inspection in these circumstances <ul style="list-style-type: none"> ▪ Inspections requirement showing on sales contract ▪ Appraiser notates irregularity in appraisal ▪ State requirements- inspection on all purchases
FAQ Section	