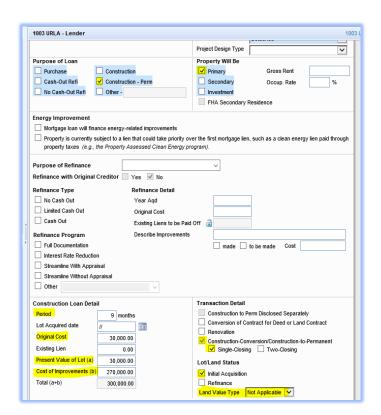
### Scenario - Purchase of Lot from Builder

- Borrower does not own the lot prior to the first draw of the construction loan (interim
  construction financing). Borrower uses proceeds from the interim construction financing to
  both: a) purchase the lot and b) finance construction of the home (one contract covers both lot
  and construction).
- Once construction is complete, the borrower modifies the construction loan (\$285,000) into a purchase.
- 3. The property now appraises at \$300,000.

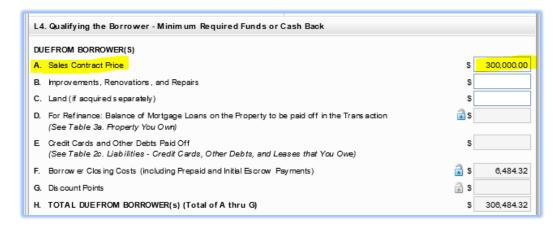
### 1003 URLA Lender Input Form

- Purpose of Loan
  - o C to P
- Property will be
  - o Primary
- Construction Loan Details
  - Period = Construction in months
  - Original Cost = "land only"
  - o Present Value of lot
  - Cost of improvements = "total cost – land"
- Transaction Detail
  - Construction-Conversion/Construction-to-Permanent
    - Single-Close
- Lot/Land Status
  - o Initial Acquisition
  - Land Value Type = NA



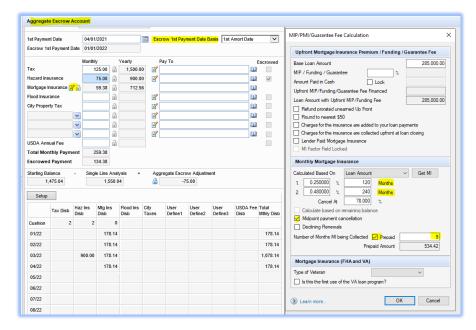
1003 URLA – Lender – L4 Qualifying the Borrower – Minimum Requirement Funds or Cash Back

- DU or LPA
- Include the Lot and Contract to build total in section A "Sales Contract Price"



### **Aggregate Escrow Account Input Form**

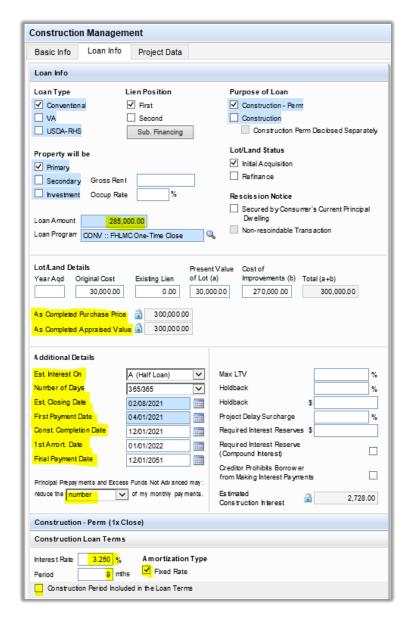
- Escrow 1<sup>st</sup> payment date bases
  - "1st Amort Date"
- Mortgage Insurance if applicable
  - Number of Months MI being Collected
    - Select Prepaid
    - Enter
       estimated
       build time



### **Construction Management Input Form**

- Loan Amount:
  - If not previously updated, enter loan amount
- As Completed Purchase Price:
  - This is the sum of the Present Value of Lot and Cost of Improvements
- As completed Appraised Value:
  - Is the actual appraisal value from Field 356 "Appraised Value"
- Est. Interest On:
  - A (Half Loan)
- Number of Days:
  - 0 365/365
- Est Closing Date:
  - Closing date from contract
- First payment date:
  - First payment date of Interest only payment
- Const. Completion Date:
  - Date estimated from contract or agreement
- 1<sup>st</sup> Amort Date:
  - Date of first regular payment
- Final Payment Date:
  - o Fully amortized date to payoff
- Principal Prepayments and Excess funds Not Advanced may reduce "number" of monthly payments.
- Construction Loan Terms
  - Interest Rate = Same as perm loan
  - Period = Construction time
  - Amortization
    - Select Fixed Rate
  - Construction Period Included in the Loan Terms
    - Leave box unchecked

Important: If the permanent loan Interest Rate changes throughout the loan process, ensure the Construction Loan Terms Interest Rate is updated also.



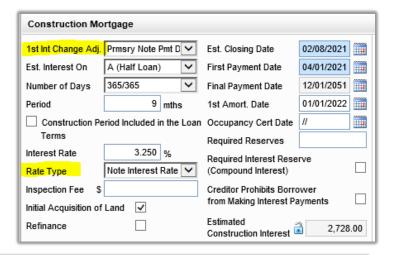
### **RegZ – LE Input Form**

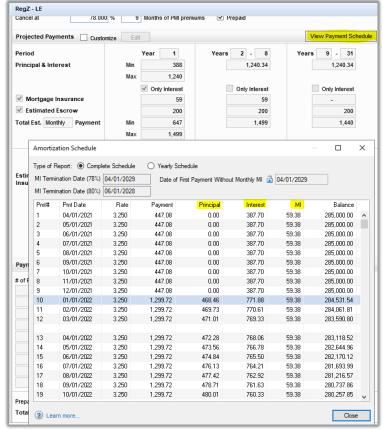
### **Construction Mortgage**

- 1<sup>st</sup> Int Change Adj
  - o Prmsry Note Pmt Date
- Rate Type
  - Note Interest Rate

Projected Payment: The interest only payments would assume that the full amount of draw is completed at time of closing. Borrower interest only payments are based on actual drawn amount. Therefore, the interest the borrower pays will vary as the draw balance increases.

**Amortization Schedule:** Should show no Principle payment until the projected completion time in months.

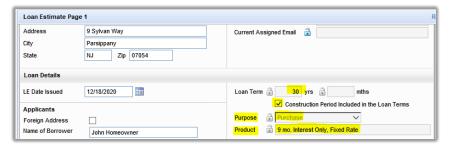




### Loan Estimate Page 1

This scenario has the borrower acquiring the lot at time of closing. Therefore, for TRID integrated disclosures, the LE will show as a Purchase.

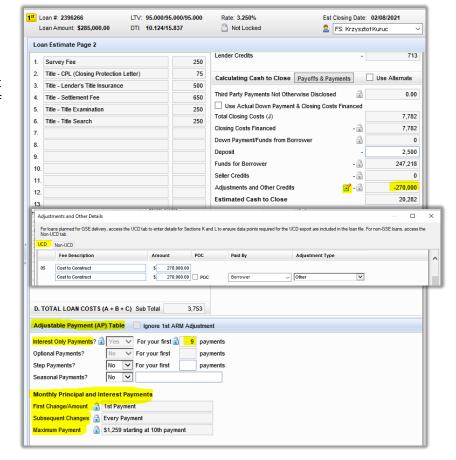
- Purpose
  - Purchase
- Product
  - 9 mo. Interest Only, Fixed Rate



### **Loan Estimate Page 2**

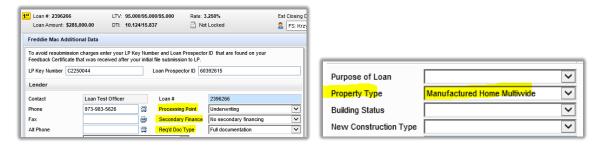
- Adjustments and Other Credits
  - Add a UCD for Cost to Construct. This amount does not include cost of Lot.

 Adjustable Payment (AP) Table
 No data entry required and will update with prior input forms completed

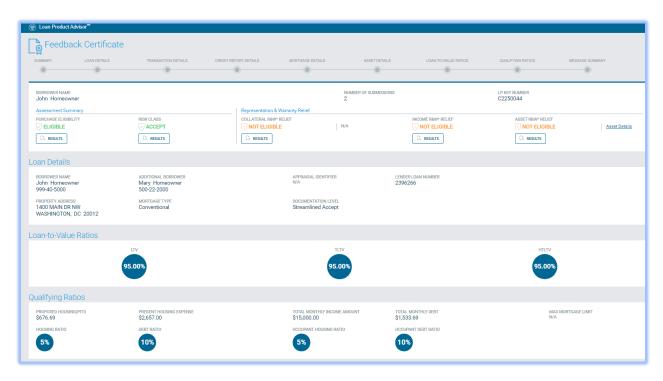


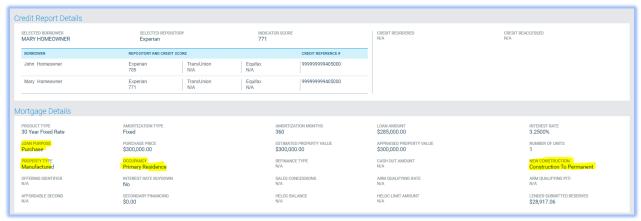
### **Examples of AUS findings**

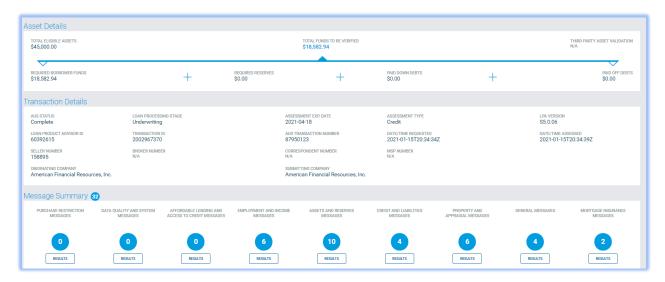
### Freddie Mac Additional Data

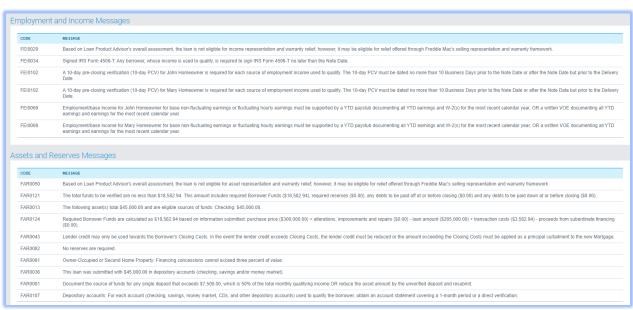


### LPA





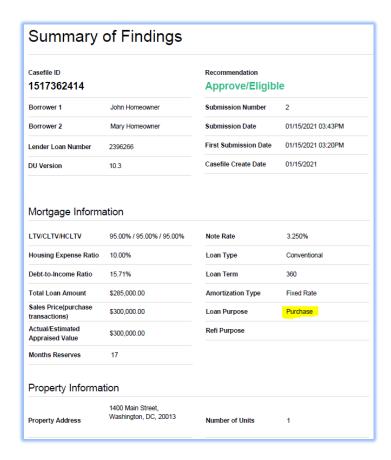


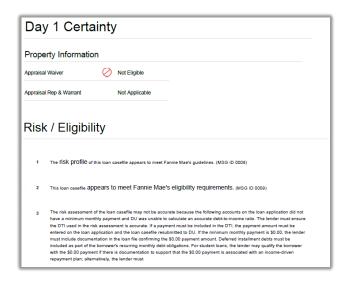






### Example DU





		either use 1% of the outstanding loan documentation. (MSG ID 0		ment or derive a fully amortizing	payment using the student				
		BORROWER	CREDITOR	ACCOUNT NUMBER	BALANCE				
		John Homeowner	SALLIEMAE	*****4520	\$5,000.00				
		John Homeowner	SALLIE MAE	*****4520	\$5,000.00				
	-	For single-closing construction-to-permanent financing, special feature code 151 must be provided at delivery. If the credit and appraisal documents are dated more than four months, but not exceeding 18 months old at the time of the conversion to permanent financing, the loan casefile is only eligible for delivery if the documents were dated within 120 days of the original closing date of the construction loan, the LTV, CLTV, and HCLTV do not exceed 70 percent, the representative credit score is at least 700, the loan casefile received an Approve/Eligible recommendation, and the loan terms were not changed prior to conversion. (MSG ID 2465)							
	•	Refer to all Fannie Mae Lender that may apply to this loan case	•	f COVID-19" for additional instru	actions on temporary policies				
-i	ndi	ngs							
	6	The following FISK factors re		ode lane and limiting (MCC ID 4	427)				
	•	CREDIT PROFILE	present surrights in the borrow	ers roam apprication: (MSG ID 1	101)				
		Debt-to-Income Ratio							

# Verification Messages / Approval Conditions 7 According to the Social Security Administration (SSA), based on the approximate issuance date of the Social Security number (SSN) and the borrower age on the application, the SSN entered for Mary Homeower appears to have been issued prior to the borrower's date of brith. The SSN ecuracy must be confirmed, and if incorrect, it must be updated and the loan casefile resubmitted to DU. If the SSN is determined to be correct, it must be validated directly with the SSA (direct validation by a third party is acceptable), and the loan can must be delivered with SFC 102. If the SSN cannot be validated with the SSA, the loan is not sligible for delivery to Fannie Mae. (MSG ID 0012) 8 This IOAN IS SUBJECT to all lender specified conditions and must comply with all applicable federal, state, and local laws and regulations. (MSG ID 0278) 9 Based on the credit report obtained through DU, this loan casefile must CloSe On Or before 05/11/2021. • All credit documents must be no more than four months old on the note date, and • For guidelines on the age of the appraisal or properly inspection report, refer to the Selling Guide. (MSG ID 0420) 10 The subject property was submitted as a manufactured home. Verify that the property is legally classified as real property and that it meets the manufactured home guidelines established in the Fannie Mae Selling Guide. (MSG ID 0803) 11 This Ioan casefile was underwritten as a construction transaction. If the appraisal was completed based on plans and specifications, construction must be complete. a final interior property inspection must be performed, and the appraiser must provide a certificate of completion. The certificate must be accompanied by photographs of the completed improvements. (MSG ID 1215) 12 If there is a home equity line of credit secured against the subject property: • The maximum allowable HCLTV is 85 percent. • Verify the terms of the home equity line of credit for compliance with the Selling Guide, and • Calculat

Loan Level Price Adjustments may be applied when this loan is delivered to Farnie Max. Refer to the Selling Guide and Lean-level Price Adjustment (LLFA) Mains on farniermae com for specific details. (MSG ID 2343)

14 Mortgage insurance is required.

- The lender may either obtain mortgage insurance coverage of at least 15% with an MI loan-level price adjustment or either mortgage insurance coverage of 379%. Refer to the Loan-level Price Adjustment Martin on farniermae com.

- Verify the mortgage insurance premium is accurately reflected in the loan application.

(MSG ID 2477)

15 According to the Social Security Administration (SSA), the Social Security Number (SSN) entered for Mary Homeowner may not be associated with himber. The SSN accuracy must be confirmed, and if incorrect, it must be updated and the loan caselle resolutions to the SSN accuracy must be confirmed, and if incorrect, it must be updated and the loan caselle resolutions to the SSN accuracy must be confirmed. And if incorrect, it must be updated and the loan caselle resolutions to acceptable, and the loan as must be delivered with SFC 102. If the SSN cannot be validated with the SSA, the boar is not eduplish for delivery to Francie Max. (MSG ID 2741)

Employment and Income

15 Document Many Homeowner's income using a paystub and a W-2 from the prior year, or using a standard Verification of Employment (1005).

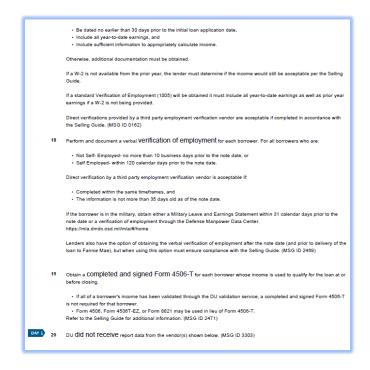
The paystub must:

- Be dated no earlier than 30 days prior to the initial loan application date,
- Include all year-to-date earnings, and
- Include sufficient information to appropriately calculate income.

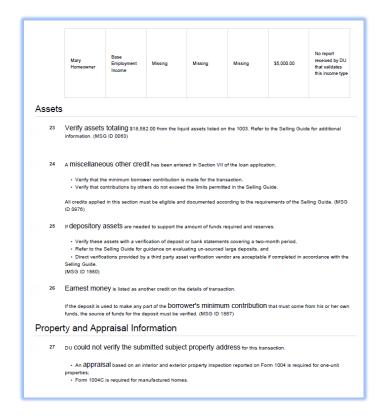
Otherwise, additional documentation must be obtained.

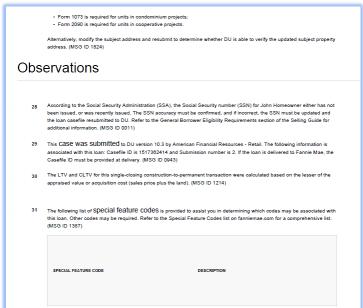
If a Standard Verification of Employment (1005) will be obtained it must include all year-to-date earnings as well as prior year earnings if a W-2 is not available from the prior year, the lender must determine if the income would still be acceptable per the Selling Guide.

If a standard Verification of Employment (1000) will be obtained it must include all year-to-date earnings a

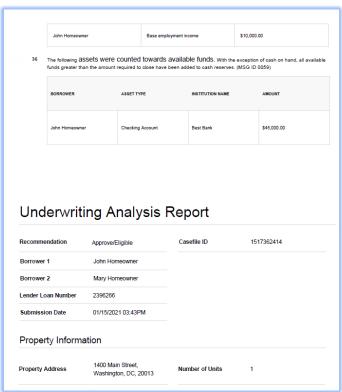


	BORROWER	VEND	OR AND REP TYP	E R	REP ID		REASON	
	John Homeowner	The V	Vork Number (VO	IVOE) 23	396266		vendor di borrower, borrower	as not ordered, or d not have report on the or report ID and SSN do not match vided to the vendor.
	Mary Homeowner	The V	Vork Number (VO	IVOE) 23	396266		vendor di borrower, borrower	as not ordered, or d not have report on the or report ID and SSN do not match vided to the vendor.
DAY 1 21	DU could not va	alidate borrower 6	employmen	t shown belo	ow for the reas	on provided	. (MSG ID 33	107)
	BORROWER	DU EMPLOYER	VENDOR A	AND REP	REP ID	VEND	OR MATCH	REASON
	John Homeowner	ABC Mortgage Company	Missing	N	Missing	Missin	9	No VOI/VOE report
	Mary Homeowner	ABC Title Compa	any Missing	N	Missing	Missin	9	No VOI/VOE report
DAY 1 22	DU COUID NOT VA	DU INCOME	VENDOR AND REP TYPE	n below for the		OD MATCH	DU REPORTED	O REASON









Mortgage Information			
Loan Type	Conventional	Loan Amount	\$285,000.00
Amortization Type	Fixed Rate	Financed MI Amount	\$0.00
Balloon	No	Total Loan Amount	\$285,000.00
Community Lending	No	Sales Price (purchase transactions)	\$300,000.00
Payment Frequency	Monthly	Actual/Estimated Appraised Value	\$300,000.00
Lien Type	First Mortgage	P&I	\$1,240.34
Amt. Subordinate Fin.	\$0.00	Note Rate	3.250%
Loan Purpose	Purchase	Qualifying rate	3.250%
Refi Purpose		Bought Down rate	0.000%
Owner Existing Mtg		Term (Months)	360
Buy Down	No		
LTV/CLTV/HCLTV	95.00% / 95.00% / 95.00%		
Income			
Base	\$15,000.00	Commission	\$0.00
Bonus	\$0.00	Over Time	\$0.00
Other	\$0.00	Positive Net Rental	\$0.00

Subj. Pos. Cash Flow	\$0.00	Total	\$15,000.00			
Qualification Ratios						
Housing Expense	10.00%	Debt-to-Income	15.71%			
Expense Ratio						
Including <= 10 Mos.	15.71%					
Proposed Monthl	y Payment					
First P&I (Qualifying)	\$1,240.34	Total Housing Payments	\$1,499.72			
Second P&I	\$0.00	Negative Net Rental	\$0.00			
Hazard Insurance	\$75.00	Subj. Neg. Cash Flow	\$0.00			
Taxes	\$125.00	All other Payments	\$857.00			
Mortgage Insurance	\$59.38	Total Expense Payments	\$2,356.72			
HOA Fees	\$0.00	Present/Principal	\$2,400.00			
Supplemental Property Insurance	\$0.00	Housing Payment				
Other	\$0.00					
Funds						
Total Available Assets	\$45,000.00	Net Cash Back	\$0.00			

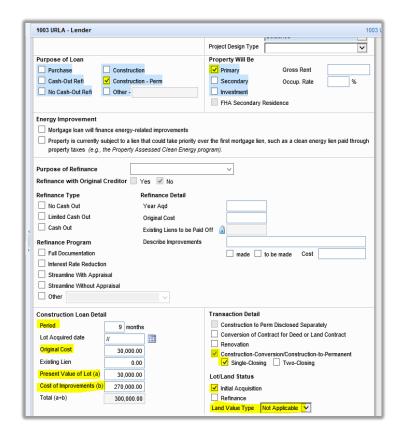
Reserves Required to be		Excess Available Assets, not required to be verified by DU	\$26,417.06
Verified Verified	\$0.00	Months Reserves	17
Total Funds to be Verified	\$18,582.94		
Cash Back	\$0.00		
The Recommendation for	this case is: Approve/Eligible		
	idings report does not constitute an approv to privacy and nonpublic personal informa		

Scenario - Purchase of Lot from Builder

- 1. Borrower does not own the lot prior to the first draw of the construction loan (interim construction financing). Borrower uses proceeds from the interim construction financing to <a href="both">both</a>: a) purchase the lot and b) finance construction of the home.
- 2. Once construction is complete, the borrower modifies the construction loan into a purchase.
- 3. The property now appraises at \$300,000.

### 1003 URLA Lender Input Form

- Purpose of Loan
  - o C to P
- Property will be
  - Primary
- Construction Loan Details
  - Period = Construction in months
  - Original Cost = "land only"
  - Present Value of lot
  - Cost of improvements = "total cost - land"
- Transaction Detail
  - Construction-Conversion/Constructionto-Permanent
    - Single-Close
- Lot/Land Status
  - o Initial Acquisition
  - Land Value Type = NA



1003 URLA – Lender – L4 Qualifying the Borrower – Minimum Requirement Funds or Cash Back

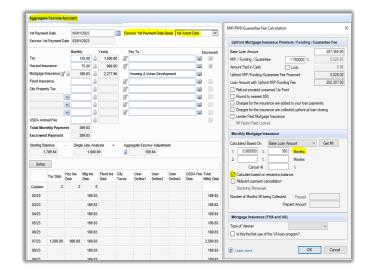
- DU or LPA
- Include the Lot and Contract to build total in section A "Sales Contract Price"



### **Aggregate Escrow Account Input Form**

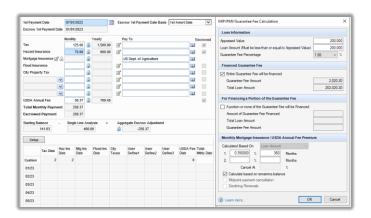
### FHA:

- Escrow 1<sup>st</sup> payment date bases
   "1<sup>st</sup> Amort Date"
- Mortgage Insurance applicable



### **USDA:**

- Escrow 1<sup>st</sup> payment date bases
  - o 1st Amort Date
- Mortgage Insurance as applicable



Construction Management

Loan Info

Project Data

Basic Info

### **Construction Management Input Form**

- Loan Amount If not previously updated enter here
- As Completed Purchase Price:
  - This is the sum of the Present Value of Lot and Cost of Improvements
- As completed Appraised Value:
  - Is the actual appraisal value from Field 356 "Appraised Value"
- Est. Interest On:
  - A (Half Loan)
- Number of Days:
  - o 365/365
- Est Closing Date:
  - Closing date from contract
- First payment date:
  - First payment date of Interest only payment
- Const. Completion Date:
  - Date estimated from contract or agreement
- 1<sup>st</sup> Amort Date:
  - Date of first regular payment
- Final Payment Date:
  - Fully amortized date to payoff
- Principal Prepayments and Excess funds Not Advanced may reduce "number" of monthly payments.
- Construction Loan Terms
  - Interest Rate = Same as perm
  - Period = Construction time
  - Amortization
    - Select Fixed Rate
  - Construction Period Included in the Loan Terms
    - Leave box unchecked FHA
    - Check Box USDA

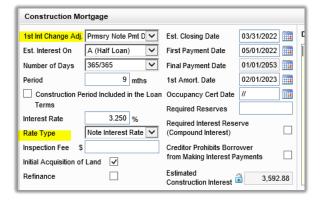
Loan Info Loan Type Lien Position Purpose of Loan Conventional ✓ First ✓ Construction - Perm □ va Subordinate Construction USDA-RHS Sub. Financing Construction Perm Disclosed Separately Lot/Land Status Property will be ✓ Initial Acquisition ✓ Primary Refinance Secondary Gross Rent ☐ Investment Occup Rate Rescission Notice Secured by Consumer's Current Principal Dw ellino 287,369.00 Loan Amount Non-res cindable Transaction Loan Program FHA :: One-Time Close Lot/Land Details Present Value Cost of Improvements (b) Total (a+b) Year And Original Cost Existing Lien of Lot (a) 30,000.00 270,000.00 2021 30.000.00 0.00 300.000.00 As Completed Purchase Price 300,000,00 As Completed Appraised Value 300,000.00 Additional Details Est. Interest On A (Half Loan) ~ Max LTV Number of Days 365/365 ~ Holdback 96 Est. Closing Date 03/31/2022 110 Holdback First Payment Date 05/01/2022 Project Delay Surcharge Const. Completion Date 12/01/2022 Required Interest Reserves \$ 1st Amort Date . Required Interest Reserve 02/01/2023 (Compound Interest) Final Payment Date 01/01/2053 Creditor Prohibits Borrower from Making Interest Payments Principal Prepayments and Excess Funds Not Adv anced may Estimated reduce the number of my monthly payments. 3 592 88 Construction Interest Construction - Perm (1x Close) Construction Loan Terms 3.250 % Amortization Type ▼ Fixed Rate 9 mths Construction Period Included in the Loan Terms

Important: If the permanent loan Interest Rate changes throughout the loan process, ensure the Construction Loan Terms Interest Rate is updated also.

### RegZ - LE Input Form

### **Construction Mortgage**

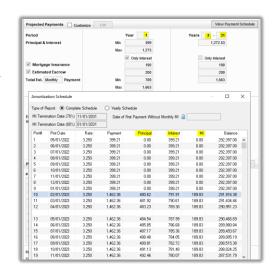
- 1<sup>st</sup> Int Change Adj
  - o Prmsry Note Pmt Date
- Rate Type
  - Note Interest Rate



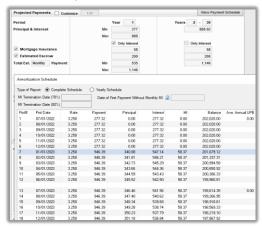
# **Projected Payment:** The interest only payments would assume that the full amount of draw is completed at time of closing. Borrower interest only payments are based on actual drawn amount. Therefore, the interest the borrower pays will vary as the draw balance increases.

**Amortization Schedule: Should** show no Principal payment until the projected completion time in months.

### FHA Example:



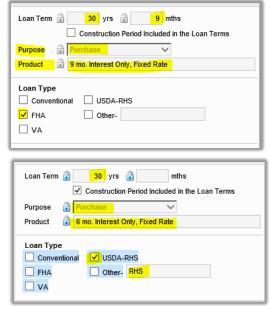
### **USDA Example**



### Loan Estimate Page 1

This scenario has the borrower acquiring the lot at time of closing. Therefore, for TRID integrated disclosures, the LE will show as a Purchase.

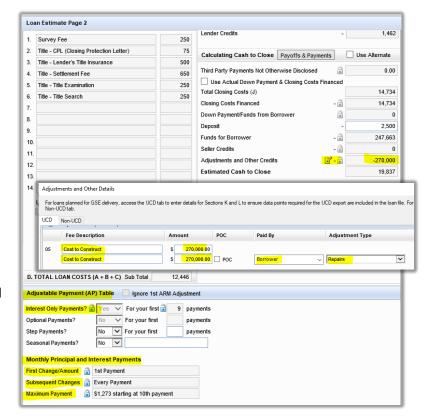
- Purpose
  - Purchase
- Product
  - o 9 mo. Interest Only, Fixed Rate



### Loan Estimate Page 2

- Adjustments and Other Credits
  - Add a UCD for Cost to Construct. This amount does not include cost of Lot.

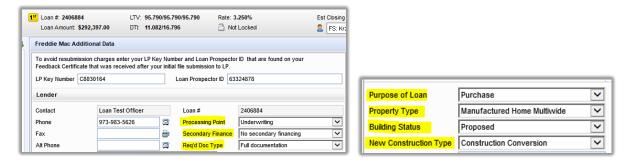
- Adjustable Payment (AP) Table
  - No data entry required and will update with prior input forms completed



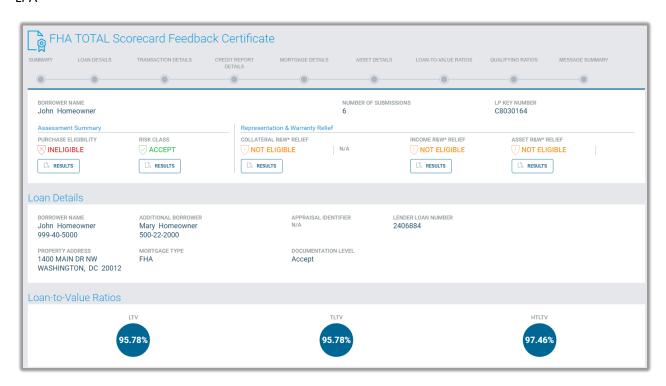
All Construction to Perm screens are complete and loan file is ready to disclose.

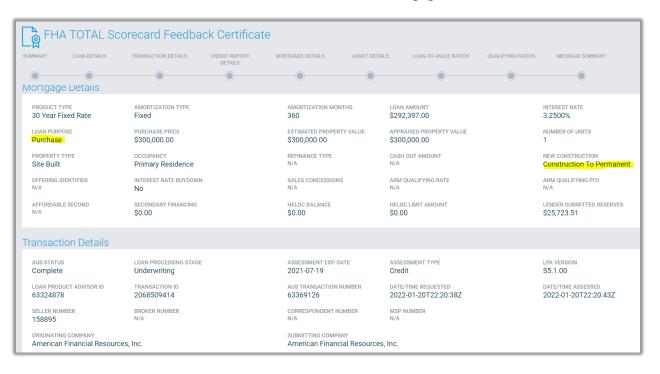
### **Examples of AUS findings**

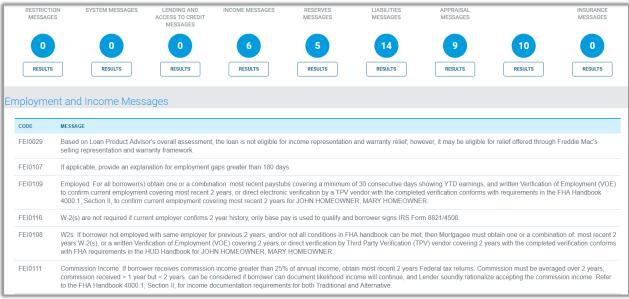
Freddie Mac Additional Data



### LPA







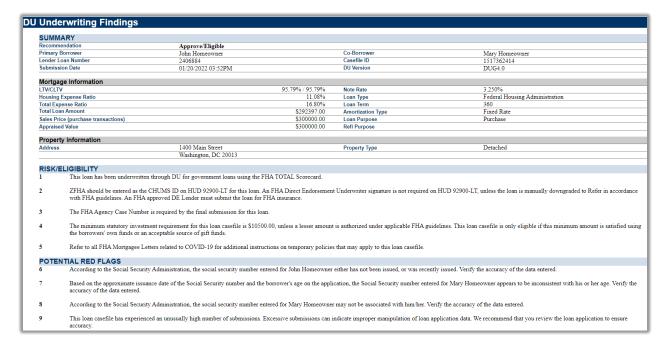
CODE	MESSAGE
FAR0050	Based on Loan Product Advisor's overall assessment, the loan is not eligible for asset representation and warranty relief; however, it may be eligible for relief offered through Freddie Mac's sellin representation and warranty framework.
FAR0105	Verify all reserves submitted in the amount of \$25,723.51.
FAR0102	Depository Accounts: Obtain Verification of Deposit (VOD) or most recent 2 months bank statement(s) showing that average balance sufficient to cover amount of earnest money deposit at the time of deposit, or direct verification by Third Party Verification (TPV) vendor with completed verification conforms with the FHA requirements in the FHA Handbook 4000.1, Section II, to verify sufficient funds required to close.
FAR0036	This loan was submitted with \$45,000.00 in depository accounts (checking, savings and/or money market).
FAR0052	This loan was submitted with \$11,166.69 in closing costs paid by the borrower.

CODE	MESSAGE
FCL0144	If CAIVRS indicates delin/lien, enter Yes on app & resubmit
FCL0319	Enter ZFHA as CHUMS ID on HUD 92900. FHA Direct Endorsement Underwriter signature is not required on HUD 92900, unless loan is downgraded to REFER or CAIVRS shows a Federal Delinquency/Lien. Mortgagee's representative must attest data integrity on HUD 92900A. FHA-approved DE Lender must submit this loan for FHA insurance.
FCL0281	If CAIVRS indicates federal delinquency/lien, this loan must be documented and underwritten to FHA's REFER requirements.
FCL0317	Include all debts from credit report, alimony, child support, separate maintenance, negative rent, mortgage debt, installment debt paid through payroll deduction and significant debt (payment greater than \$100) in ratios.
FCL0284	If the credit report utilized by TOTAL indicates that the borrower has \$1,000 or more collectively in Disputed Derogatory Credit Accounts, the mortgage must be downgraded to a Refer and manually underwritten. Exclusions include disputed medical accounts or disputed derogatory credit resulting from identity theft, credit card theft or unauthorized use. Please consult the FHA Handbook 4000.1, Section II for full details.
FCL0297	779 is the FHA TOTAL Scorecard selected credit score from Trans Union for JOHN HOMEOWNER.
FCL0299	771 is the FHA TOTAL Scorecard selected credit score from TRW (Experian) for MARY HOMEOWNER.
FCL0324	Credit for JOHN HOMEOWNER was requested due to credit freshness expiration.
FCL0326	Credit for MARY HOMEOWNER was requested due to credit freshness expiration.
FCL0286	Merged Credit Reference Number for JOHN HOMEOWNER is 99999999405000.

CODE	MESSAGE
FPA0014	Loan is not eligible for collateral representation and warranty relief based on the overall assessment of loan and collateral risk, including appraisal quality, collateral quality and loan characteristic
FPA0037	The Appraisal Identifier must be provided in order to be eligible for collateral representation and warranty relief.
FPA0057	Address entered matched to: 1400 MAIN DR NW, WASHINGTON DC 20012 , District of Columbia County. Please confirm accuracy.
FPA0133	Loan is not eligible for an appraisal waiver because it does not meet proprietary guidelines.
FPA0124	Loan is not eligible for an appraisal waiver because it is a construction conversion or renovation loan.
FPA0123	Loan is not eligible for an appraisal waiver because the loan is non-conforming.
FPA0122	Loan is not eligible for an appraisal waiver because the mortgage type is not conventional.
FPA0134	Loan is not eligible for an appraisal waiver because the submitted TLTV of 96% cannot exceed 80% for a purchase transaction.
FPA0050	Loan type ineligible - MAF not available for FHA or VA. Follow requirements of HUD Handbook 4000.1 or VA Lenders Guide for appraisal requirements.

neral Me	isoaycs
CODE	MESSAGE
FGM0075	FHA Case Number is required to be submitted to Loan Product Advisor at or before the last submission of this loan.
FGM0041	Lender is responsible for documenting any situation not addressed on this feedback certificate according to the FHA TOTAL Mortgage Scorecard User's Guide and/or HUD Handbook 4155.
FGM0020	Loan Product Advisor Assessment Expiration Date for JOHN HOMEOWNER is 07/19/2021.
FGM0021	Loan Product Advisor Assessment Expiration Date for MARY HOMEOWNER is 07/19/2021.
FGM0071	Review for Accuracy: FHA Underwriting Guidelines vary for New Construction and may affect Maximum Mortgage calculations/LTV. Refer to Handbook and review corresponding Assessment expiration date on feedback certificate.
FGM0067	The FHA Minimum Down Payment submitted for this loan is \$12,631.00.
FGM0066	The FHA Statutory Investment Requirement for this loan is \$10500.00.
FGM0080	The FHA TOTAL Scorecard evaluated this loan through the Loan Product Advisor platform for processing and feedback.
FGM0064	The Maximum Mortgage Limit for District of Columbia County, DC is \$970,800.00.
FGM0100	This loan qualifies for ACCEPT FHA TOTAL Scorecard documentation.

### Example DU



VERIF	ICATION MESSAGES/APPROVAL CONDITIONS						
10	The lender must ensure full compliance with all FHA eligib	lity requirements and all requirements of FHA Single Family Ho	using Policy Handbook 4000.1.				
11		For Cash Out Refinances with any form of secondary financing, or for Rate and Term Refinances (No Cash Out) and Purchases where privately held secondary financing exists, the maximum loan amount calculation must be apoutside of DU. For further information including the definition of privately held secondary financing, refer to the Online version of FHA Single Family Housing Policy Handbook 4000.1.					
12	For case numbers assigned on or after January 1, 2015, if a Policy Handbook 4000.1 for more information.	roperty is resold 180 days or fewer following the date of acquisi	tion by the seller, restrictions may apply. Refer to the Online version of FHA Single Family Housing				
13	All documentation timeline requirements apply from the date	e of case number assignment date, unless otherwise specified.					
14	Any use of third party vendor (TPV) data retrieval must be	uthorized by the borrower.					
15	The FHA Loan Underwriting and Transmittal Summary (Fo	m HUD-92900-LT) must be completed.					
16	This loan casefile may also be subject to other lender specif	ed conditions.					
17	Approval of this case is subject to underwriter's acceptable	eview of the LDP/GSA list.					
18	If this loan casefile is an identity of interest transaction, the	TV may not exceed 85 percent, unless the transaction meets an	exception as outlined in the Online version of FHA Single Family Housing Policy Handbook 4000.1.				
19	Properties that are Under Construction or Existing for Less they meet the required documentation for Maximum Finance		he Pre-Approval requirements or are covered with a HUD-accepted insured ten-year protection plan, and				
20	Approval for this casefile is subject to obtaining a valid CA	VR number.					
21	If the borrower acts as a licensed general contractor and bui	ds the house on land previously owned or separately acquired, re	efer to the Online version of HUD Single Family Housing Policy Handbook 4000.1 for more information.				
22	A sales contract and any amendments or other agreements a	d certifications must be provided.					
23	Documentation evidencing the borrower's identity is require	i.					
24		uments have expired. While the document values have been used online version of FHA Single Family Housing Policy Handbook	in the underwriting analysis, obtain more recent documents and resubmit the loan for an underwriting $4000.1$ .				
	Borrower	Document Type	Document Date				
	JOHN HOMEOWNER	Credit Report	01/11/2021				
25	If this transaction is a purchase of a HUD REO property, ple	ase refer to the sales contract for special financing details.					
26	If the borrower has experienced a short sale or short payoff,	please refer to current FHA guidelines for additional eligibility r	equirements.				
27	The FHA TOTAL scorecard no longer returns either Upfron 4000.1 for current MIP amounts.	or Annual Mortgage Insurance Premium (MIP) amounts to be d	is played by DU. Lenders should consult Appendix 1 of FHA Single Family Housing Policy Handbook				

	Credit and Liabilities							
	No verification of rental history is required.							
	Desktop Underwriter has used the minimum monthly payments, to calculate the total expense ratio, from the following accounts:							
	Borrower	Creditor Name	Balance	Payment				
	John Homeowner	UNIVERSAL VISA	950.00					
	John Homeowner	UNIVERSAL VISA	950.00					
	John Homeowner	SALLIEMAE	1100.00					
	John Homeowner	SALLIE MAE	1100.00					
	John Homeowner	CHASE	5000.00					
	John Homeowner	TOYOTA CREDIT	15838.00	500.00				
	The following accounts were omitted from the	underwriting analysis during liability reconciliation	. For each liability, provide documentation that supports the omission	1.				
	Borrower	Creditor Name	Payment	Balance				
	John Homeowner	SALLIEMAE	0.00	5000.00				
	John Homeowner	SALLIE MAE	0.00	5000.00				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using ar	rial inquiries listed on the credit report in the debt of any outstanding judgments shown on the credit reacceptable source of funds. Any payment arranger	ratios. You must also determine that any recent debts were not incurre port is required, if applicable. If the aggregate of all outstanding collements must be included in the monthly payment in the borrower's DT	ed to obtain any part of the required cash investment on section accounts is \$2,000 or greater, verify that the debt T, or if a payment arrangement is not available, calcular				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using ar	rial inquiries listed on the credit report in the debt of any outstanding judgments shown on the credit reacceptable source of funds. Any payment arranger	ratios. You must also determine that any recent debts were not incurre	ed to obtain any part of the required cash investment on section accounts is \$2,000 or greater, verify that the debt T, or if a payment arrangement is not available, calcular				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using armonthly payment using five percent of the outst additional information.  A mortgage that has been modified must utilize	rial inquiries listed on the credit report in the debt of any outstanding judgments shown on the credit researceptable source of funds. Any payment arranger anding balance of each collection and include the other than the payment history in accordance with the modifi-	ratios. You must also determine that any recent debts were not incurre port is required, if applicable. If the aggregate of all outstanding collements must be included in the monthly payment in the borrower's DT	ed to obtain any part of the required cash investment or section accounts is \$2,000 or greater, verify that the debt I, or if a payment arrangement is not available, calcular of FHA Single Family Housing Policy Handbook 4000.				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using ar monthly payment using five percent of the outst additional information.  A mortgage that has been modified must utilize application and/or credit report, or if the inform If the credit report indicates a mortgage debt this	rial inquiries listed on the credit report in the debt in any outstanding judgments shown on the credit reacceptable source of funds. Any payment arranger anding balance of each collection and include the the payment history in accordance with the modifiation on the credit report is incomplete or inaccurate thas been assumed by an unrelated party, or the tit	ratios. You must also determine that any recent debts were not incurred port is required, if applicable. If the aggregate of all outstanding collements must be included in the monthly payment in the borrower's DT anouthly payment in the borrower's DT. Refer to the Online version of the control of the cont	ed to obtain any part of the required cash investment or section accounts is \$2,000 or greater, verify that the debt I; or if a payment arrangement is not available, calculat of FHA Single Family Housing Policy Handbook 4000. late housing. If a mortgage debt does not appear on the the agreement creating the contingent liability or assum				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using ar monthly payment using five percent of the outs additional information.  A mortgage that has been modified must utilize application and/or credit report, or if the inform If the credit report indicates a mortgage debt the agreement and deed showing transfer of title ou additional information.  When a debt or obligation is revealed during the	rial inquiries listed on the credit report in the debt in any outstanding judgments shown on the credit reacceptable source of funds. Any payment arrange anding balance of each collection and include the the payment history in accordance with the modification on the credit report is incomplete or inaccurate that because the payment history in accordance with the state of the tender sport is incomplete or inaccurate that because the payment of the tender's name. For other types of continger application process that was not listed on the loan	ratios. You must also determine that any recent debts were not incurred to the post of the property of the pro	ed to obtain any part of the required cash investment on section accounts is \$2,000 or greater, verify that the debt I, or if a payment arrangement is not available, calculat of FHA Single Family Housing Policy Handbook 4000. late housing. If a mortgage debt does not appear on the he agreement creating the contingent liability or assum, of FHA Single Family Housing Policy Handbook 4000 fy the monthly payment amount. If the increased amous				
	Include new debt payments resulting from mate property or funds necessary for closing.  Evidence of payoff or payment arrangements of full at the time of or prior to settlement using ar monthly payment using five percent of the outside distinguishment of the outside distinguishment of the outside application and/or credit report, or if the inform If the credit report indicates a mortgage debt the agreement and deed showing transfer of title ou additional information.  When a debt or obligation is revealed during the outside of tolerances, include the debt in the que cash investment in the loan.  For cases assigned on or after 10/15/13, if the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers is greater than or equal to \$1000, don't have the coborrowers are compared to the coborrowers of the coborrowers are considered.	rial inquiries listed on the credit report in the debt in any outstanding judgments shown on the credit reacceptable source of funds. Any payment arranger anding balance of each collection and include the the payment history in accordance with the modification on the credit report is incomplete or inaccurate that been assumed by an unrelated party, or the tit of the lender's name. For other types of contingents application process that was not listed on the loan altifying ratios and resubmit the loan casefile. Direct redit report reveals that the borrower is disputing at vagrade to refer and manually underwrite the loan.	ratios. You must also determine that any recent debts were not incurred to the property of the Online version. The property of the Online version of the Onl	ed to obtain any part of the required cash investment on ection accounts is \$2,000 or greater, verify that the debt I; or if a payment arrangement is not available, calculat of FHA Single Family Housing Policy Handbook 4000. late housing. If a mortgage debt does not appear on the he agreement creating the contingent liability or assum, a of FHA Single Family Housing Policy Handbook 400 fy the monthly payment amount. If the increased amoun that any borrowed funds will not be used for the hon alances for all disputed derogatory credit accounts for a equired. Disputed charge-offs, collections, and late pays				

	Employment and Income						
38	The following sources of income were used in the underwriting analysis:						
	Borrower	Income Type	Verification	Amount			
	John Homeowner	Base Employment Income	1003 Values		10000.00		
	Mary Homeowner	Base Employment Income	1003 Values		5000.00		
40	electronic verification of employment by a TPV vendor covering two years, subject to FHA requirements. Re-verification of employment must be completed within 10 days prior to the date of the Note, and verbal or electronic re-verification of employment acts must be current within 30 days of the date of the Note, Refer to FHA's Single Family Housing Policy Flandbook 4000.1 for additional information on electronic documentation requirements, alternative employment documentation requirements when the borrower has not been employed with the same employer for the previous two years.  For Standard documentation, verify John Homeowner's employment initiatory and income for the most recent two years. Obtain the most recent pay stub and a written Verification of Employment (VOE) covering two years, or direct electronic verification of employment by a TPV vendor covering two years, while to FHA requirements. Re-verification of employment must be completed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, subject to FHA requirements. Re-verification of employment must be completed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, and the proposed proposed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, and the proposed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, and the proposed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, and the proposed within 10 days prior to the date of the Note, and verbal or electronic re- verification of employment by a TPV vendor covering two years, and the proposed within 10 days prior to the date of the Note, and verbal or electronic re- ventfactors a						
	verification of employment is acceptable. Electronic re-verification of employment data must be current within 30 days of the date of the verification. Refer to FHA's Single Family Housing Policy Handbook 4000.1 for additional information on electronic documentation requirements, alternative employment documentation requirements and requirements when the borrower has not been employed with the same employer for the previous two years.						
41	Capital gains or losses must be considered whe	n determining Effective Income. Refer to the Online vers	ion of FHA Single Family Housing Policy	Handbook 4000.1 for additional information	on.		
42		ee times in the previous 12-month period, or has changed new position, or employment documentation evidencing			ne. Obtain either transcripts of training		
43	For information on calculation of hourly incom	e or income involving a temporary reduction in wages, re	efer to the Online version of FHA Single Fa	amily Housing Policy Handbook 4000.1.			

	Assets							
	The following assets were counted towards available funds:							
	Borrower Name	Account Type	Institution Name	Amount				
	Mary Homeowner	Gift			10500.00			
	John Homeowner	Checking	Best Bank		45000.00			
6	application or in a gift letter signed by the donor FHA Single Family Housing Policy Handbook 40 Information about assets furnished on the loan ap direct verification by a TPV vendor of the Borrov of the verification. If a VOD is not obtained, a str	and borrower for each cash gift received. Docur 100.1. Cash on Hand is not an acceptable source plication was used to underwrite this case. The vers' account covering activity for a minimum o	liable for closing. List the name, address, telephone nent the transfer of the gift funds to the borrower's ac of donor gift funds.  depository assets totaling \$55500.00 must be verified the most recent available month, and the date of the lance for the most recent most recent is required. If the pre	by a written VOD and the Borrowers' data contained in the completed verific	ons described in the Online version of most recent statement for each accoun ation is current within 30 days of the			
7			rice or appears excessive based on the borrower's hist tent debts were not incurred for any part of the cash in					
18	If an asset other than real estate or exchange-traded securities is sold for funds to close the mortgage, verify and document the actual sale and the net sale proceeds by obtaining a fully executed closing disclosure or similar legal document. The lender must also verify and document that the transaction was armslength, and that the Borrower is entitled to the net sale proceeds.							
9	A gift was entered as a source of down payment. The loan is ineligible for FHA insurance if any of the down payment funds are provided by (a) the seller or any other person or entity that financially benefits from the transaction, (b) any 3rd party that is reimbursed directly or indirectly by the seller or any other person or entity that financially benefits from the transaction.							
0	For recently opened accounts and recent individual deposits of more than 1 percent of the Adjusted Value, obtain documentation of the deposits. Verify that no debts were incurred to obtain part, or all, of the minimum required investment.							
1	If a gift is being used, the full amount of the gift must be entered in the Source of Downpayment Section with a valid FHA Down Payment Type Code, to ensure that the correct information is sent to the FHA TOTAL Mortgage Scorecard. Additionally, the gift must be entered in the Assets section as verified. If the gift has been deposited into a depository account, it should not be entered separately as a gift asset to avoid double counting of the gift funds the gift has not been deposited into a depository account, it must be shown separately as a gift asset.							
2	Property and Appraisal Information The Uniform Residential Appraisal Report (URAR) (Fannie Mae Form 1004) and the form HUD-92800.5B, Conditional Commitment DE Statement of Appraised Value are required. Also, a Market Conditions Addendum is required. Fannie Mae Form 104.0C Freddie Mae Form 71).							
53	Form HUD-92561, Hotel and Transient Use Certification must be obtained and signed by the borrower for all 2 - 4 unit properties and single family properties that are part of a group of five or more properties owned by the borrow within a two block radius.							
	DU could not verify the submitted property address for this transaction. Verify that the subject property address was entered correctly and, if necessary, update the data entry and resubmit the loan casefule.							
4		It is the lender's responsibility to ensure that all FHA guidelines are met on the appraisal report, including but not limited to: use of correct forms, acceptable property type, and acceptable validity periods.						

	Ratio Information								
6	If the subject property is located or the borrower resides in a community property state, the debts of a non-purchasing spouse must be included in the borrower's qualifying ratios, except for the obligations specifically except at law. Although the non-purchasing spouse's credit history is not to be considered a reason for credit denial, a credit report must be obtained outside of DU for the non-purchasing spouse in order to determine the debtratio (this applies only to community property states). If required by state law, the non-purchasing spouse may be required to sign either the security instrument of occumentation indicating that the individual is relinquish rights to the property. When the security instrument is executed for this reason, the non-purchasing spouse is not considered a borrower, and not required to sign the loan application.								
	Other								
	A Required Investment amount of \$20548 was	sent to the FHA TOTAL scorecard.							
BSE	ERVATIONS								
58	The following credentials from the loan applic	The following credentials from the loan application were used to submit the loan casefule through the FHA TOTAL Mortgage Scorecard:							
	Lender ID Sponsored Origina		EIN Sponsor ID						
		1358600035		13586000	0035				
	1517362414, and FHA Submission number is	33.							
	The following Credit Report information is ass	sociated with this submission:	la vin i in	lo vin	_				
	The following Credit Report information is ass	sociated with this submission:  Credit Agency	Credit Report ID	Credit Report Date	$\exists$				
	The following Credit Report information is ass	sociated with this submission:	Credit Report ID 99999999405000 99999999405000	Credit Report Date 01/11/2021 01/11/2021					
	The following Credit Report information is ass  Borrower Name  JOHN HOMEOWNER	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:  Borrower Name JOHN HOMEOWNER MARY HOMEOWNER	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:  Borrower Name JOHN HOMEOWNER MARY HOMEOWNER This loan casefile was submitted to DU for Ge	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:  Borrower Name JOHN HOMEOWNER MARY HOMEOWNER This loan casefile was submitted to DU for Ge County Loan Limit: \$970800.00	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:    Borrower Name     JOHN HOMEOWNER     MARY HOMEOWNER     This loan casefile was submitted to DU for Ge     County Loan Limit: \$970800.00     Maximum Loan Amount: \$289500.00	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:    Borrower Name     JOHN HOMEOWNER     MARY HOMEOWNER     This loan casefile was submitted to DU for Ge     County Loan Limit: \$970800.00     Maximum Loan Amount: \$289500.00     Section of Act: 203(b)	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000	01/11/2021					
	The following Credit Report information is as:    Borrower Name     IGHN HOMEOWNER     MARY HOMEOWNER     This loan casefile was submitted to DU for Go County Loan Limit: \$970800.00     Maximum Loan Amount: \$289500.00     Section of Act: 203(b)     County Name: DISTRICT OF COLUMBIA     Agency Case Number:	sociated with this submission:  Credit Agency Factual Data Factual Data	99999999405000 99999999405000	01/11/2021					
	The following Credit Report information is as:    Borrower Name     IGHN HOMEOWNER     MARY HOMEOWNER     This loan casefile was submitted to DU for Go County Loan Limit: \$970800.00     Maximum Loan Amount: \$289500.00     Section of Act: 203(b)     County Name: DISTRICT OF COLUMBIA     Agency Case Number:	Credit Agency Factual Data Factual Data Factual Data vernment Loans Release 4.0.	99999999405000 99999999405000	01/11/2021					

Property Address	1400 Main Street		Number of Units	1	
Toporty Hadrood	Washington, DC 20013		Occupancy Status	Primary Residence	
Property Type	Detached		occupancy status	Pilinary Residence	
Toperty Type	Detached				
MORTGAGE INFORMATION					
Loan Type	Federal Housing Administration		LTV/CLTV/HCLTV		95.79% / 95.79% / 0.00
Amortization Type	Fixed Rate		Loan Amount		\$287369.
Balloon	No		Financed MI Amount		\$5028.
Community Lending	No		Total Loan Amount		\$292397.0
Payment Frequency	Monthly		Sales Price (purchase transactions)		\$300000.0
Lien Type	First Mortgage		Appraised Value		\$300000.0
Amt. Subordinate Fin.	\$0.00		P&I		\$1272.5
Loan Purpose	Purchase		Note Rate		3.250
Refi Purpose			Qualifying Rate		3.250
Owner Existing Mtg.			Bought Down Rate		0.00
Buydown	No		Term (Months)		31
INCOME			QUALIFYING RATIOS		
Base		\$15000.00	Housing Expense		11.089
Commission		\$0.00	Total Expense		16.809
Bonus		\$0.00	Total Expense		10.80
Overtime			EVENUE DATION		
		\$0.00	EXPENSE RATIOS		
Other		\$0.00	Including ≤ 10 Mos.		0.009
Positive Net Rental		\$0.00			
Subj. Pos. Cash Flow		\$0.00			
Total		\$15000.00			
PROPOSED MONTHLY PAYMENT					
First P&I (Qualifying)		\$1272.53	Negative Net Rental		\$0.0
Second P&I		\$0.00	Subj. Neg. Cash Flow		\$0.0
Hazard Insurance		\$75.00	All Other Payments		\$857.0
Taxes		\$125.00	Total Expense Payment		\$2519.3
Mortgage Insurance		\$189.83			\$2515.2
HOA Fees		\$0.00			
Other		\$0.00			
Total Housing Payment		\$1662.36			
FUNDS					
Required		\$16586.00	Net Cash Back		\$0.0
Available		\$55500.00	Reserves		\$38914.0
Cash Back		\$0.00	Months Reserves		20071

### Example of GUS:



### Loan/Applicant Risk

Loan Risk Finding(s)
There were no loan risk findings issued

Risk Finding(s) for Homeowner, John There is no risk finding for Homeowner, John

Risk Finding(s) for Homeowner, Mary There is no risk finding for Homeowner, Mary

### Lender's Required Conditions

Prior to Final Submission Finding(s)

1. 601 - Standard Flood Hazard Determination Form (SFRDF): Obtain FEMA Form 086-0-32 (SFRDF): Submit form to Rural Development when requesting a conditional commitment for Loan note guarantee. If an existing dwelling is in a 100-yr. floodplain the lender must ensure flood insurance through FEMA's National Flood Insurance Program (HFTP) is available for the community and flood insurance whether HFTP, "write your own', or private flood insurance, as approved by the lender, is purchased. Additional requirements for flood insurance are listed in HB-1-2555 Chapter 12.10B, including requirements for new construction properties.

- 2. 622 Lender Due Diligence: Lenders must apply due diligence when reviewing the loan file to determine if there is any potentially derogatory or contradictory information that is not part of the data submitted to GUS or if there is any erromeous information in the data submitted to GUS. If the lender is aware of any contradictory, derogatory, or erromeous information, lenders are obligated to take action. For example if the lender is aware of debts, late payments or derogatory information that has not been made available to the data submitted to GUS (not all inclusive) an underwriting recommendation of ACCEPT may be required to be manually downgraded by the lender to REFER on the Credit Underwriting page in GUS. The file must be manually underwritten by the lender.
- 3. 20420 Cash Reserves: Cash reserves are funds that will remain in the applicant's account after loan closing and must be supported with proper documentation per HB-1-3555 Chapter 5.3E. Verification of cash reserves must be retained in the lender's permanent case file. Gift funds from any source may not be included in the cash reserve calculation.
- 4. 30680 Other Credits: Ensure any amount entered as an 'Other Credit' on the Lender Loan Information page is not duplicated in an 'Asset' account on the Assets and Liabilities page.
- 5. 60000 Authorized User Accounts: Authorized User (AU) accounts are not the legal responsibility of an authorized user. Lenders are not required to include a monthly payment for an AU account in the total debt ratio but may do so at their discretion. Lenders may include an AU account to validate the credit score for GUS REFER and REFER WITH CAUTION files, as applicable, per HR-1-2555 Chapter 10. AU accounts that are closed or terminated do not require further analysis.
- 6. 60005 Disputed Account Non-Derogatory: When an applicant's credit report indicates a tradeline or public record is in dispute, an ACCEPT underwriting recommendation may be required to be downgraded to a REPER. A downgrade is not required if any of the following are met regarding the non-derogatory disputed account: 1) The tradeline has a zero dollar

