

## Brighten Lending FHA Lending Matrix

### Full Doc

#### **Wage earner:**

- 1) 2 yrs W2's & current paystub covering 1 full month
- \*4506T is required & checked prior to Final Underwriting

#### **Self Employed Partnership or S Corp:**

- 1) 2 yrs signed & dated tax returns (all schedules)
- 2) YTD P&L from accountant

#### **General Notes:**

- 1) 2 yrs continuous employment necessary for primary borrower
- 2) Part time job can be a 1 year minimum
- 3) Borrower is considered self employed with 25% or greater ownership interest in a business
- 4) Boarder income can be used if income was claimed on their taxes

### Foreclosure/Deed in Lieu

- 1) Foreclosure seasoning based on sale or payoff date
- 2) Deed in Lieu seasoning based on completion date of the action
- 3) Generally the borrower must have no Foreclosure or Deed in Lieu in previous 3 years: If the foreclosure was the result of extenuating circumstances beyond the borrowers control & borrower has re-established credit since the foreclosure the loan can be reviewed for an exception.

### Mortgage/Rental History

- 1) 12 month mortgage history must be documented by credit report, VOM, Management company VOR, or 12 months cancelled checks. A private party VOR is acceptable if verified on 411.com
- 2) If purchasing the property they are currently renting, cancelled checks are required along with the original lease option.

### General FHA Requirements

- 1) 1-4 Unit, Condo & Owner occupied properties only.
- 2) All loans are subject to FHA loan limits by state & county (www.hud.gov)
- 3) No Cashout refinances & purchases max LTV 97%.
- 4) Cashout refinances 1-2 unit max LTV 95%, owner occupied for minimum of 1 year.  
– Cashout w/30 day lates on mortgage or <1yr occupancy max LTV 85%, *if seasoning is <1yr you must use the lesser of the original sales price or appraised value.*
- 5) Cashout refinances 3-4 units max LTV 85%
- 6) No reserves for all purchases 1-2 units, refinances, property types & refinances.
- 7) 3 mo PITI required on 3-4 unit purchases ONLY (No Gifts & must be self supporting)
- 8) Gifts permitted & are considered borrower's own funds (exception on #7 above)
- 9) NO government loans in default, *ie: student loans*
- 10) DTI should not be higher than 31/43, can be up to 40/50 with compensating factors.
- 11) Minimum FICO for manual underwrite 580, <580 DU "Approve" is required.
- 12) Any debt required to be paid off must come from the borrower's own funds.
- 13) Chapter 7 bankruptcy is acceptable as long as it has been discharged for 2 years.  
\* Minimum 1 yr with proof of extenuating circumstances can be reviewed.
- 14) Chapter 13 ok with a minimum of 12 mos in the BK & 0x30 pymt history to the trustee. The borrower would need to provide evidence the plan has been confirmed, trustee rating, written demand from trustee, notice of Right to Encumber or Trustee Letter from the court (written approval), no lates after the BK.

### Source of Funds

- 1) VOD or 2mo bank statements (if prev mos balance is on oldest stmt) or 3 mo statements required.
- 2) Seller can pay a total of 6% of the sales price. IE: 3% Nehemiah & 3% CC for a total of 6%.
- 3) Gifts from relatives or closely related friends must be a proven relationship.