

MK Community Reinvestment Act Easy Doc

Program Codes: MK CRA EZ 7/6

Units	Max Loan Amt	Min FICO	Max LTV/CLTV/HCLTV			
			Purchase, R/T, & Cash-Out			
			Primary & Investment			
1 unit SFR/PUD & Condo	≤ \$726,200	640	80%			
	\$726,201 - \$1,089,300	680				
2 unit	≤ \$1,394,775	640				
3 unit	≤ \$1,685,850	640				
4 unit	≤ \$2,095,200	640				
General Underwriting Guidelines						
Available State/Countries	- California: Los Angeles, Ventura, and Orange Counties <u>ONLY</u> - New Jersey: Middlesex County Counties <u>ONLY</u>					
Census Tract Income Level	- Subject property must be located in a low / moderate income census tract - Census tract income level as determined on the FFIEC website (click the link below) https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx					
DTI	47/53%					
Income	Self Employed - Most current YTD and one full year of Profit & Loss Statement completed by an independent third-part - CPA Letter (from CPA that prepared previous 2 yrs tax returns) verifying prepared business ownership and same location for at least 2 yrs & 2 yrs business license - Borrower prepared P&L <u>NOT ALLOWED</u> Salary or Wage-Earning Employees - Written VOE form (FNMA Form 1005) completed by employer - Verbal VOE 10 days prior to close					
Asset	- Most recent 1 months bank statement required. - VOD allowed - Business Funds may be used up to 100% of current balance if borrower can demonstrate 100% ownership of the business. or 100% access letter obtained from all joint owners.					
Reserves	- 1 months in US Financial Institution. - Must be borrower's own fund. - Gift or business funds cannot be used for reserves - Net proceeds from Cash Out cannot be used for reserves					
Minimum Contribution	- No minimum borrower contribution on Owner Occupied and Investment					
Gift	- Gift is allowed for 100% of down payment and closing cost - Gift is not allowed for Reserves					
Tradelines	2 tradelines seasoned for at least 12 mo. required for each borrower					
Housing Event Seasoning	BK 3 years SS / DIL / Mod 2 years FC 5 years					
Acceptable Number of Late Payment	Mortgage/Rent					
	Maximum Allowed	Past 12 month	Past 24 months	Past 36 months		
	x30	1	2	4		
	x60	0	1	2		
	x90	0	0	0		
	No Limit if past 36 months					
	Installment/Revolving Debt					
	Maximum Allowed	Past 12 month	Past 24 months	Past 36 months		
	x30	3	4	5		
	x60	1	2	3		
x90	0	1	1			
No Limit if past 36 months						
General Requirements						
Product Type	7/6 ARM					
Loan Amount	See above					
Loan Purpose	Purchase, Rate/Term, & Cash-Out					
Occupancy	Primary & Investment (2nd Home <u>NOT ALLOWED</u>)					
Property Type	Single Family Attached Detached 2-4 Units Condo PUD					
Escrow Impound	Flood Insurance Mandatory					
Cash-Out	6 month seasoning required. (Delayed financing is <u>NOT ALLOWED</u>)					
Loan Amount >1.5mil	Requires a prior-approval by investor with \$1,500 investor UW FEE					
Foreign Nationals	Not allowed					
Appraisal	- Loan Amt ≤ \$1M One Full Appraisal and one Automated Valuation Model (AVM) - Loan Amt > \$1M One Full Appraisal and one Field Review - For the appraisal showing a trend of the property value declining, LTV must be lowered by 5%					
Qualifying Rate	The Greater of note rate or fully-indexed rate					
Listing History	Subject property cannot be listed for sale and must be withdrawn prior to closing for R&T refi and prior to application for Cash-Out refi					
Condo	Must be warrantable by Fannie Mae					
Trust	An inter vivos revocable trust is eligible. Trust Cert. not permitted. Full Trust - All pages required					
Eligible Borrower	U.S. Citizens & Permanent Resident only					
Ineligible Transaction	- Non-arm's length transactions - For sale by owner transactions - Employed by a family member or related individuals are not eligible for qualification - Borrowers vesting on title with undivided % of ownership or as tenants in common - Power of Attorney - Non occupant co-borrower - Delay financing					