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Underwriting Tools - Checklists

General Items

Registration/lock sheet Lock Still Valid? LTV within Guidelines Within Maximum/Minimum Loan Amount?
Fee sheet
Signed lock-in agreement
Assignment letter
Occupancy All borrowers occupy Non-Occupant Co-borrower Guidelines Met
PMI Required? Coverage Correct Payment Correct on 1003/1008 Copy package for PMI/pool insurance if Jumbo Loan

Loan Analysis - 1008, 92900LT, and 6393

Borrower information correct, same as original & typed 1003
PITI correct and same as 1003 and addendum - if arm or buy down, indicate qualify rate – Buydown/ARM Disclosure – Are ratios different for buydowns? – Borrower Qualification
All debts as listed on credit report and verifications
1003 ratios in line with loan program
Cavir #'s - fha/va
Case Number Matches
VA 1802/6393 All Documents match COE exactly
Section of the Act Match
Maximum Number of Properties Financed
Secondary Financing Is 2 nd Allowed Under Program Is CLTV in Guidelines Are terms of 2 nd Acceptable

FINAL TYPED LOAN APPLICATION (1003/URLA)

Ss#s match pay stubs, w-2's, Photo id, credit report and original 1003
2 years employment/residency
Assets/liabilities in line with original 1003 and loan analysis
Home, time share or land owned free and clear - do you have evidence - have you counted taxes, insurance, condo, hoa, management fees as debts
Government monitoring completed original/typed 1003
Final typed original 1003 signed by loan officer prior to submission
Green card if resident alien
Property Address, Legal Agree with Title, Sales Contract

Credit Report - Liabilities

Ss#s names, match original/typed 1003 and photo id (FHA only)
2 years residency verified with 12 month current payment history
Debts on credit report match original/typed 1003/loan analysis – if not explanation for undisclosed debts
12 months reviewed on all mortgage/installment loans-balances w/in 90 days
12 months cancelled checks on co-signed loans-balances within 90 days
Open judgements/collections/past due/charge offs - must clear PTC
All "creditor declines" or "written verification to update" are verified

	Satisfactory explanation with documentation for all derogatory credit
	Satisfactory explanation for credit inquiries with new accounts verified
	If using vom/vor/vol or paid mortgage, please state "see vom, etc on Credit Report.
	Business credit report for FHA/FHLMC
	Alimony/child support/child care counted as debt as documented by separation agreement/divorce decree
	If line of credit subordinated, need full terms, count maximum line and payment
	WRITTEN PAYOFF STATEMENT accurate/current written payoff statement for all loans. Payoff may be updated verbally with processor cert. however the initial written payoff cannot be more than 90 days from UW

EMPLOYMENT/INCOME

	2 year history/explain gaps
	If income is inconsistent, provide satisfactory documentation from employer on their letterhead
	Explain how income derived
	Overtime/bonus/commission - 25% of total earnings? Need 2 years complete tax returns and continuance verified
	Un-reimbursed business expenses? Calculated and income reduced
	Any loan on pay stub?
	FULL DOCUMENTATION Fully completed, signed, dated V.O.E. all information is completed, initialed Current y-t-d pay stub - FHA no older than 30 days at time of approval W-2's for past two years
	ALTERNATE DOCUMENTATION Verbal verification certification signed by processor Current year to date pay stubs to cover 30 day period (biweekly employees ~ 3 pay stubs) W-2's for past two years
	SELF EMPLOYED Two years personal/corporate/partnership tax returns K-1's, with all schedules and signed by borrowers IRS form 4506 signed Current year to date profit and loss, balance sheet signed by preparer FNMA 1084 (self employment analysis) completed
	RETIREMENT VA DISABILITY PENSION CHILDS SUPPORT ALIMONY, NOTE INCOME 2 years 1099's Evidence of receipt for last 12 months Is income going to continue for 3 years for fnma/5 years va/fha Award letter Divorce decree, separation agreement
	DIVIDEND/INTEREST 2 years tax returns Ytd dividend/interest earnings from bank Deduct money for closing
	LEASE INCOME 2 years tax returns Current leases required on all properties Expenses counted Real estate owned schedule Fha/va streamline income verification not necessary as long as borrowers remain as listed on original loan Fha/va 7% Vacancy Factor/ Conventional 25% or Operating Income Analysis

ASSETS

	Are adequate funds for closing/reserves verified
	Any large deposits explained/documentated

Maintenance of Loan Plan Specifications

The underwriter receives updates from FHLMC, FNMA, VA and FHA as well as outside investors. For this reason it is the underwriter's responsibility to maintain updated Seller's Guides, Wholesale Underwriting Guides and FHA/VA Mortgagee Handbooks and Letters.

In addition to investor published guidelines the underwriter is responsible for updating loan plan specifications. Loan plan specifications are summaries of the significant underwriting guidelines of each program. This is provided as an economy to the branch, so that each individual employee can have access to current pertinent guidelines without having to maintain a Seller's Guide as a reference.

The Specifications are categorized by investor. Each Investor specification contains the following critical information:

- Loan Plan Specifications for each product or series of products offered.
- Delivery Addresses, Closing requirements such as mortgagee clauses, department and function contacts with phone numbers, lock-in parameters such as timing, acceptable states and appraisers and any unusual procedural requirements for approval submission (such as additional copy files) or closing preparation (attorney must schedule).
- Specific Forms such as Lock-In Requests, Closing Requests, Fee Sheets and document transmittals.

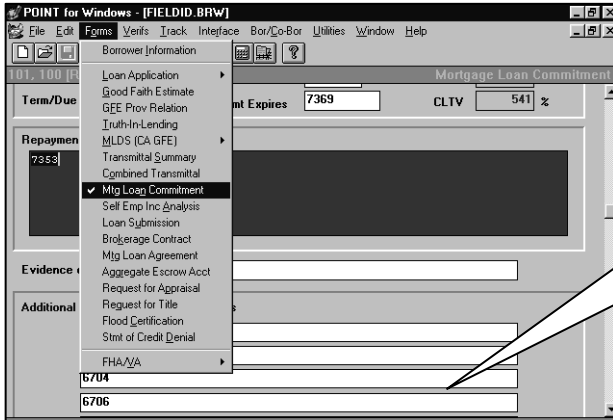
The underwriter updates these specifications WEEKLY. In addition, a summary of changes to specifications and any changed pages are provided to all production staff weekly.

Underwriting Documents

Upon reviewing the loan file the underwriter makes the determination to approve, suspend or deny the loan. Each decision requires the issuance of documentation surrounding the action.

"Approved with Conditions"

Option 1 - Use The software's Built in Approval Letter -



After entering any contingencies, go to "File", then "Print", from this screen.

The Mortgage Loan Commitment Document should already be toggled in the print menu.

Option 2 - Print Approval Letter using Data Export

<p>Step 1 - Enter Conditions either in approval (from above) or in Tracking - Conditions. Save the file and prepare the file to export</p>	
<p>Step 2 - Select Export from "File" Menu. Export to word. There may be an "error" in creating the export file if you have not linked this the approval letter.</p>	
<p>Step 3 - Open Word for Windows, open the approval letter (approval.doc), go to mail merge. The data source will be the export file</p>	